THE FINANCIAL POST

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OPTIMISTIC CROP FORECASTS NOW BEING REDUCED

Government Estimates Dispel Talk of Half Billion Bushels

RESULTS UNCERTAIN

Definite Figures Not Expected Until End of Month—Buying Power of the Farmer an Important Factor

Some weeks ago when estimates of 500,000,000 bushels of wheat for Western Canada were being bandied about, THE FINANCIAL POST called attention to the fact that it was yet too early by weeks for an estimate in which any reliance could be placed. Since then, rust and sawfly have considerably reduced the yield over large areas. The estimate of the Manitoba Free Press, which has come to be regarded as the most reliable forecast, is not yet available and will not be until later in the month, but the Bureau of Statistics, Ottawa, is out with an estimate of 357,300,000 bushels of wheat for the prairies out of a total of 382,500,000 bushels for all of Canada. This figure may be exceeded or there may be further reductions. It is yet too soon to be definite. But the fact that it is below the final total of last year's big crop is significant. The West will have a big crop but it is now evident that some early forecasts were extravagant. No doubt it has been the reaction and the general uncertainty as regards prices, cost of harvesting, margin of profit, etc., which have been causing business to mark time for a longer period than usual this summer.

Students of the business situation who rely on the stock markets as a forecast of conditions several months ahead, point out that there has been an adjustment of values to lower levels going on since last March, and in the United States particularly values have been written down in a material way. There has at the same time been some falling off in business but the change has rather been in regard to future orders than in the volume of trade passing. American figures for car loadings, for instance, totalled 1,041,044 for the week ending July 28, constituting a record in the history of the nation. This was the eighth week in ten consecutive weeks that the loadings of revenue freight exceeded the million mark. At the same time, the unfilled tonnage of the U. S. Steel Corporation in hand July 31, amounting to 5,910,000 tons, showed a reduction compared with 6,386,000 tons at the end of June, 6,981,000 tons at the end of May, and 7,288,000 tons at the end of April; a year ago the unfilled tonnage was 5,776,000.

There has been in business, concurrently with this decline in the stock market, or at least since the peak of business activity in the spring, a considerable falling off. Bradstreet's index of commodity prices as of August 1 shows price recessions continuing, as they have done ever since March. The index number for August 1 shows a decline of 2 per cent. from July 1—as did that of July of 2 per cent. from June, and of June of 2 per cent. from May—a remarkably steady and orderly recession each month. The net decline from the peak on March 1 was 8 per cent.

However, as indicated by the car loadings, there is still a large volume of business being done. Opinions differ as to whether the decline in security prices has been warranted or whether it was in the nature of a panic, reflecting apprehension as to the attitude of buyers towards rising prices. Recently there has been some indication of a recovery which would seem to bear out the latter view. The Cleveland Trust Company, in its mid-month business bulletin for August, says that business is still prosperous and "promises to remain so for some months." Widespread employment and high wages, which mean purchasing power, especially in industrial sections, are mentioned as assuring that "autumn and holiday trade will be very good, although it will not probably get back to levels reached last spring. It may be somewhat confidently expected that for some months to come business will remain sufficiently active and prosperous, so that we shall by common agreement

(Continued on Page 8)

Mining Co. Guarantee Return of Principal

To buy a speculative mining stock with the definite assurance that your principal at least will be returned, is the object of a novel plan of stock selling now being used in Toronto.

A mining company is selling its shares at $1 each and with each 1,000 shares it will give a bond, backed by the guaranteed investments of a trust company, which guarantees the return of $1,450 at the end of 15 years. The security behind this is undoubted. In addition, the investor participates in the profits from the mine to the extent that his shares merit.

Purchase of New London Building "Good Business"

Special Correspondent.

OTTAWA.—The charge of extravagance in connection with the purchase in London of a Canadian headquarters building is met with the effective rejoinder that it was "good business"; that it actually means to Canada a saving in dollars and cents not to mention the benefits to accrue from the prestige of a proper edifice and the effective administration of the nation's business. The government acted on the recommendation of Hon. P. C. Larkin, and Mr. Larkin is a good business man.

When Mr. Larkin went to London he found that Canada's affairs were handled in six different offices. All were paying rent. Out of these rentals it will be possible to pay the carrying charges for the new building and establish a proper sinking fund.

With Canada's business handled in six different offices, there were opportunities for looseness and inefficiency. Mr. Larkin went over as "general manager" of Canada's affairs. Now all the government representatives are in one building. Not only will there be greater efficiency through co-ordination but there will be an opportunity for weeding out and consolidating—for seeing that salaries are earned.

WILL THE FARMERS LIVE UP TO POOL?

Remains to be Seen if the Five Year Agreement Will Prove Satisfactory

From Our Own Correspondent

REGINA.—Aaron Sapiro, the co-operating marketing expert from California, declares that approximately 200 million bushels of wheat should be sold this year through the voluntary wheat pool being organized in the three prairie provinces.

Mr. Sapiro considers 75 per cent. of Alberta wheat will go into the pool; 50 per cent. from Saskatchewan and 50 per cent. from Manitoba.

The Californian's views, however, are considered by those in close touch with the situation to be decidedly extravagant. The heads of the pooling scheme are now talking long term contracts for participants and this is certain to be a factor which will make farmers very cautious about giving their grain over to the newly-formed marketing agency.

It is learned by THE FINANCIAL POST that five-year contracts will be offered, meaning that for the term in question, the producer relinquishes all right of "say so" in marketing the grain he grows.

Will there be any universal willingness to live up to such terms? It remains to be seen.

NEW COMERS NOT EQUAL TO THOSE LEAVING CANADA

July of This Year Double Same Month of 1922

From Our Own Correspondent

OTTAWA.—In July approximately 16,000 immigrants arrived in Canada, or close to 100 per cent. over July, 1922, with a total of 7,757. One of the important facts demonstrated by immigration so far this year is that in proportion as the Government indicated overseas that Canada really wanted immigrants, she got them. It is practically certain that she will get them in proportion as she continues to indicate her desire to receive them. A great many more artisans are arriving from the British Isles than came earlier in the year, this being due to the fact that no Britisher who can measure up to the regulations and has a chance to make good is being kept out. In this respect much of the red tape seems to have been discarded.

Immigration figures, though materially ahead of 1922, have not for the first six months run above those for the same period in 1921. In February of that year the arrivals were two and one-half times over those during that month this year; in March they were over double; in April they were two and one-half times greater; in May 3,000 greater, while in June they were 5,000 more.

The need of much heavier immigration to offset the departures for the United States is quite apparent, for in June the value of settlers' effects received was only $611,000 as compared with $885,000, the value of those that went out. From the United States $442,000 worth came in and $773,000 went out. This shows that the number of arrivals does not represent net gain.

DAIRYING IN ALBERTA

RED DEER.—The dairy industry continues to make headway in the province of Alberta, 15 more creameries being in operation this year than in 1922. It is estimated that the total creamery butter production will be about 18,000,000 pounds, 3,000,000 pounds more than last year. There is a considerable increase in the acreage of fodder crops particularly in corn.

CONFUSION EXISTS AS TO NEW SALES TAX COLLECTION

Fear is Expressed That Plants May Close For Time

TO ESCAPE PAYING

Certain Amount of Business Derangement Expected—Rebate of Old Tax Provides a Problem

From Our Own Correspondent.

OTTAWA.—As time goes on and the date for the collecting of the new sales tax approaches, the greater becomes the confusion over the probable methods that will be adopted in determining the amount of the tax and the best method of arriving at the same. Reports indicate that trade associations, whose business it is to supply their members with information on these points, are almost hopelessly confused. Some one will have to do considerable explaining between now and December 1 if the situation is to be straightened out.

As after December 31 goods may be shipped out of stock free of sales tax, there will naturally be a tendency on the part of wholesalers and manufacturers to hold back shipments until after the first of the New Year. It is true that the law provides for the refunding after that date of the tax paid on goods in stock, but the dealer who depends on getting square with the Government through this method, of course, takes his chances. For one thing, he is not sure of the method that will be adopted in the attempt to arrive at the amount of the refund, and as experience has undoubtedly demonstrated to him that to get a refund is about the hardest thing possible, he will very probably prefer to delay shipments until he can make them without the necessity of paying the tax.

May Close Plants

If clothing manufacturers and woollen and cotton mills take this view of the situation, it is quite probable that some plants may close down for a time. Such a development, coming at a period of the year when under the most favorable conditions there is a certain amount of unemployment, would be very unfortunate. That there is such a probability is an opinion quite generally shared by those in the textile and clothing manufacturing business.

Aside from this, there is almost sure to be a certain amount of business derangement resulting from frozen credits consequent on the holding up of shipments.

One of the most difficult problems before the Department of Customs and Inland Revenue is that arriving out of the attempt to determine the amount of rebate on stock on which the old sales tax has been paid. In some cases it may be easy to do this, but in the case of articles in the manufacture of which many materials have entered, this will be difficult.

A great deal of confusion has arisen over Mr. Fielding's description of the new tax as being collected at the point of origin of a sale. As a matter of fact it is not collected there, but at the point of final manufacture.

TIRE PLANT FOR CANADA

The Kelly Springfield Tire Company is planning the erection of a Canadian factory. Representatives of the company are now in Canada deciding upon a location, but officials decline to discuss the plans.

Let Canada Offer to Return the Grand Trunk

The Canadian government made a bad blunder when it endeavored to make a settlement of the railway tangle by taking over the Grand Trunk. Ottawa realizes now that these roads should have been allowed to go into liquidation as would have been the case with any other private enterprise. Then a deal could have been made with the receiver—if the government still desired to follow the dangerous experiment of going into the transportation business.

Then another serious error was in trying to apportion the amount offered to the security holders between the various classes. This was poor business. The government proposed to buy the railroads. The offer made should have been a flat one and the security holders should have been left to divide the amount up among themselves.

These errors of business judgment are now being capitalized by the holders of the securities in their campaign to get more money out of Canada. This campaign is becoming very bitter. "Confiscation" is a mild term in the references being made in the British financial press to the treatment accorded the British investors. Undoubtedly Canada's credit is being harmed. It is going to be more difficult to get capital in the future. Canada is to blame for the situation on the points referred to; also perhaps the terms of the settlement were unfortunate and undoubtedly the efforts now being made to educate the British public to the merits of the case were belated.

But there can be no two opinions as to the merits of the case. The findings of the Court of Arbitration were final and the arbitrators took all the factors fully into consideration. There is no point on which British justice and British law have not been lived up to.

The present campaign in the British press smacks of "blackmail," in the opinion of Canadians in London who are impressed by the fact that the more responsible newspapers are not party to it. It is generally accepted that this is not being conducted in the interests of the original investors so much as to benefit the gamblers who bought up the securities for a song and would now profit to the extent to which further consideration can be obtained.

Canada made a mistake in taking over the roads. If the security holders are not satisfied with the price paid LET CANADA OFFER TO RETURN THE ROADS TO THEM—if they will compensate the government for what has been sunk in them since. This would leave the situation as it was when the government foolishly stepped in. It would give the holders of the securities an opportunity to prove whether or not they are sincere in their demands.

Urge National Forestry Policy to Protect Capital Invested

Rate of Consumption of Pulpwood and Timber Supplies and Loss From Fire and Insects Rapidly Depletes Stands Near Mills

From Our Own Correspondent.

MONTREAL.—That there is very urgent need for a national forestry policy throughout Canada is evident from the discussions at the British Empire Forestry Conference as well as from somewhat unorganized but determined murmurings on the parts of press and people at the depletion of our forestry resources through fire and insect and by export of unmanufactured timber and pulpwood. The forestry branch of the Dominion Department of the Interior, of which E. H. Finlayson, is the acting head, is of the same opinion and in a publication on the forests of Canada states that there is need for the adoption of a national forestry policy "which will harmonize in so far as it is possible the administration of the forests throughout the Dominion." This can be accomplished, according to the forestry branch, only through the concerted action of the Dominion and Provincial forest authorities meeting in conference. No great improvement in the methods of handling the forests can be secured from localized action, it is pointed out, since restrictions or regulations which place the operators of one region at a present disadvantage as compared with their competitors in other parts of the country cannot be expected to receive he popular support necessary for their successful operation.

A National Forestry Policy

What should be the nature of Canada's national forestry policy? Some suggestions are made.

First of all here should be dedicaion of absolute forest land to the permanent production of timber. This involves the classification of the land and the exclusion of settlement from lands which are essentially suitable for forest purposes.

The question of protecting the forests against fires must come in next in the national forestry policy. There should be legislation and organization sufficient to ensure adequate forest-fire protection. According to the Dominion forestry officials this involves a campaign of education to secure fire prevention; the proper disposal of

(Continued on Page 5)

EMBARGO WOULD BRING PLANTS TO BRITISH COLUMBIA

American Manufacturers Keeping in Touch With Situation

From Our Own Correspondent

VICTORIA.—If the Canadian Government brings into effect an embargo on the export of pulpwood, one of the first consequences will be the establishment of pulp and paper mills in British Columbia by various American capitalist groups which in the past have been negotiating with a view to establishing in this province, but have hesitated to order actual construction for one reason or another.

That is the belief of a good many business men, government experts and others who have given the subject close study in this part of Canada. American capital is already heavily interested in British Columbia pulp and paper enterprises and within the last few months there has been talk of American money establishing several other mills. It is held that an embargo on pulpwood exports would be the decisive factor in bringing matters to a head.

A Canadian Economist in England

The Grand Trunk "Business"—The Puzzle of the Ruhr—Political Problems—The Business Outlook, Etc., Etc.,

By GILBERT E. JACKSON,
Department of Economics, University of Toronto.

LONDON.—The four things which have interested me have been the British attitude to the Grand Trunk business, the present pessimism in business circles, the reaction of the Ruhr occupation on trade, and, of course, the Reparations Controversy with France.

It has been curious to note the feeling of the man in the street about Grand Trunk. For us it is natural to suppose that the clamour about the alleged unfairness of the award is a matter of scare headlines in newspapers that have to sell somehow. But whether it was that originally or no, it is certainly much more than that now. The phrase that is most commonly used in connection with it is: "The Grand Trunk Steal." It looks as though the public in general in England is just as honestly and sincerely convinced that the Grand Trunk shareholders were forcibly deprived of a valuable asset as we are convinced that we were compelled by circumstances to take on an expensive liability. Nor is there at present any obvious means of bringing these two points of view closer together: hardly anybody reads, or has time to read the Government Reports on which alone an impartial decision can be based: and meanwhile, any brief statement, either by the Canadian Government or by anybody else, is bound to prove ineffectual, because of its very brevity.

When each of two parties, both of them conscious of rectitude, has absolutely convinced itself that the other is wrong, little more can be done: meanwhile, however, Canadian securities have suffered in London, and Canadian borrowing will suffer in the future, one supposes.

All this is, of course, an old story but it leads me to think it is a great pity that the case for the Canadian Government has not been presented, with the relevant documents, etc., in the big British monthly and quarterly reviews, which are ready to present both sides of an important question, and which do carry still a great deal of weight with the influential classes in England. We are so absorbed in Canada with the domestic controversy about public ownership that we do not seem to have attended as care-

(Continued on Page 7)

QUEBEC LEADS PULP AND PAPER INDUSTRY

Ontario a Close Second and Is the Leading Producer of Paper—B.C. is Third

From Our Own Correspondent

MONTREAL.—It is a close fight between Ontario and Quebec for leadership in Canada's pulp and paper industry, with Quebec holding the edge because of its leadership in the production of pulp, such as groundwood, sulphite and sulphate.

Quebec has $191,514,809 invested in the industry, as against Ontario's $133,749,634.

Quebec employs 12,549 men in the industry, as against Ontario's 8,136.

Quebec leads in pulp production with 1,088,205 tons, as against Ontario's 726,308 tons, the valuation being $43,329,740 for Quebec and $27,263,674 for Ontario.

But Ontario is ahead in the production of paper and produced 648,438 tons last year valued at $50,927,499, as compared with Quebec's 587,777 tons valued at $45,866,028. Ontario produced the most newsprint, the most book and writing papers and the most boards. Quebec produced the most wrapping paper.

British Columbia ranks a good third in all lines.

BUSINESS MEN IN MARITIMES SEEK END OF STRIKES

Looking to British Empire Steel to End Labor Troubles

BAD FOR BUSINESS

McLachlan Recognized as Still Strong Among Workers—Further Strikes Unless Conditions Changed

Staff Correspondent.

HALIFAX.—Business men in Nova Scotia keenly regretted the big strike in the plants of the British Empire Steel Corporation and now that it is over they are more concerned with finding a way of avoiding future disturbances of the nature than of allocating the immediate blame for some of the unsavoury features of the strike that has just ended. There is a very general feeling that the solution of the whole Sydney problem lies in "humanity in industry." Canon F. G. Scott's condemnation of the conditions among the workers in the big plants at Sydney created comment only insofar as it confirmed suspicions that have been held for some time by many leaders in the Maritimes that affairs were not being run in such a way that the workers could feel themselves partners in the enterprise.

No Settlement Yet

Complete support was given to the action of sending troops to Sydney to protect private property and to keep up a semblance of law and order. The intervention of the troops was at the requqest of private citizens, and while they were to give protection only, their presence undoubtedly served to hasten the end of the strike. But although a settlement has been reached it is generally felt that it is in no sense a permanent arrangement under which the men are satisfied and willing workers. In other words, there is no assurance that this is the last strike. The fire is still smouldering and may be fanned into blaze by any slight breeze of radicalism or dissatisfaction.

McLachlan, the fiery leader of the extreme element among the workers, still has the largest following, if reports from the area can be believed. Barratt, the local representative of John Lewis, head of the United Mine Workers, is not as strong a man as McLachlan. The radical leader is a "Lowland Scotchman with a twinkle in his eye," according to one man who watched the strike from begin-

(Continued on Page 7)

BROMPTON-ABITIBI

There has been fairly persisent buying of these two issues of late with a consequent price advance. Generally improved position of the paper industry is accountable for the mild interest shown in this group during the period of summer dullness, and these two issues in particular, because of the much stronger standing gained by the companies represented during the past few months.

FEATURES

British Columbia Lumber Exports Grow Rapidly 2
High Wages Have Thrown Farmers Purchasing Power Out of Balance 2
Plenty of Enthusiasm for Wheat Pool in Evidence 3
Political Truce Marks the Pool in Saskatchewan 3
Market Tendency Firm With Bulk of Issues Standing Unchanged 4
Valuable Data Contained in News and Views 4
Will Laurentide or Belgo Buy in St. Maurice 5
Pulp and Paper Industry Made Many Records in 1922 6
Home Allotment Plan Will Solve Labor Problems 6
Becker is Ready to Manufacture Paper from Straw 7
Yearly Contract for Labor as Unemployment Bar 7
Nothing to Worry About if Hollinger's Millheads Are Lower .. 8
American Mining Engineers Visit Ontario and Quebec 8
Damnable Certainty the Real Bane of Bank Job 9
Thrift Talk and Movies Brought Deposits to Bank 9
California Sold on Benefits of Private Utilities 10
Valuable Data for Investors in Answers to Inquiries 11
Canadian Issue of Notes of Edmonton Gas Company 12
Federal Income Shows Increase, While Expenditure Falls.. 12
Sales and Income Tax Loom Large in Annual Budget 13
Many Buildings Financed Through First Mortgage Bonds 13
Duty of Assured Continues After Premium is Paid 14
License System Gives Protection to Policy Holders 14
The Basic Cause of Wheat Trouble Being Ignored 15
Perils Grow Out of Criminal Leadership of Labor 15
Europe Learns Cost of Public Ownership Idea 16
"Whisper of Death" Also Being Heard in the U. S. 16
EDITORIAL
The Punishment and the Crime — All Factions in the Wheat Pool—Motor Buses vs. Railroads—Sir Adam Shows His Hand — Little Profit in Bank Notes—More Communist Money for Propaganda 10

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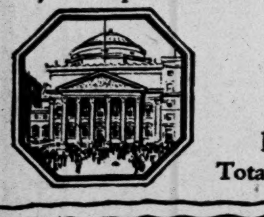

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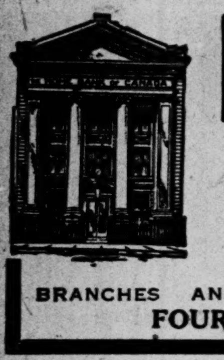

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Notice is hereby given that a dividend at the rate of 8% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the first day of September, 1923, to Shareholders of record at the close of business on the 16th day of August next.

The Transfer Books will be closed from the 17th to the 31st day of August, both days inclusive.

By order of the Board.

J. W. HAMILTON, General Manager.

Winnipeg, July 19th, 1923.

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BRITISH COLUMBIA LUMBER EXPORTS GROWING RAPIDLY

American Capital Developing Last Great Reserve of Softwood

285,000,000 FEET

This is Immense Figure That Was Reached in Shipments During the Year 1922

British Columbia is now getting into a boom in timber exports. From a level of less than 50,000,000 feet of timber exported by water from British Columbia up to the beginning of the war, the total yearly shipments have grown until in 1922 they reached 285,000,000 feet. The increase for the past four years has been as follows:

1919	108,000,000 feet
1920	147,000,000 feet
1921	189,000,000 feet
1922	285,000,000 feet

Why Trade Has Grown

Writing in the London Times Trade Supplement, M. A. Grainger gives four reasons for this growth in the seaborne export trade of British Columbia. First there is the decreasing timber supply of the United States, and consequent increase of demand upon the West. Secondly, the Panama Canal has opened the Atlantic coast markets to the export sawmills of the Pacific coast, so much so that shipments have increased sensationally from nothing in 1918 to 645,000,000 feet last year, of which 69,000,000 went from British Columbia. In this trade the mills have a certain advantage in being able to ship under any flag without the coastwise shipping regulations that restrict the United States mills to United States tonnage.

Thirdly, the Orient is drawing more and more upon the Douglas fir region—export has jumped from 128,000,000 feet in 1913 to 752,000,000 feet in 1922, with British Columbia's share increasing from 5,000,000 feet to 105,000,000.

Finally, in the same space of years Australia increased her importations of British Columbia timber from 9 to 63,000,000 feet, while Californian business rose from 1 to 22,000,000 feet.

U. S. A. Capital Invested

American rather than British capital has developed the logging and saw mill industry of British Columbia, although before the war there were many ill-conceived timber land projects financed by British investors. According to Mr. Grainger, until 1905-6 there was little development in the timber trades of British Columbia. A few far-sighted timbermen had secured forest holdings here and there, and sawmill and timber-cutting industries were in existence on no great scale, with a small export trade overseas and a modest market in the prairie provinces. British capital was being committed to a few pulp and paper enterprises in a somewhat premature attempt to establish a local industry.

Into this quiet corner of the world came, rather suddenly, the overflow of the great American boom in standing timber. Timbermen and speculators all over the continent had realized that the amount of available timber was limited. The saw mill industry was exhausting other forest regions. Obviously it would be obliged to move westward. So also would the pulp industry. Money had been made before in Eastern and Southern forests by intelligent foresight in buying timber properties cheap, ahead of the demand. Hence there was a huge speculative movement—the Klondike rush of timber—to take up Western timberlands. Some 13,500 squares miles were taken up, on speculation, in British Columbia. In the aggregate far more timber was taken up than can be used by mills in the next forty years or more.

British Investments Under Way

Following this taking up of timber came sawmill construction on a scale proportionate to the brisk demand for sawn timber created by the general settlement and city-building boom in Western Canada from 1909 to 1913. It was at this period that large amounts of British capital were adventured in timber enterprises, usually without investigation. The collapse of the boom, followed by the outbreak of the war, left the Western timber industry in distress, with more sawmill capacity than market for its timber. Since then there has been practically no mill construction, the total production capacity is even appreciably less than it was ten years ago, the market has caught up, and there is a well-founded feeling that conditions from now on will justify a moderate building of new mills. The pulp and paper industry, too, has been successfully established on the Pacific coast by eleven mills in Washington and Oregon and five in British Columbia. British capital at one time played a considerable part in this development, but it was lost to American interests before the productive stage was reached.

It should be mentioned, from the Empire standpoint, that a great proportion of the timber resources, logging enterprises, and sawmill companies of British Columbia are owned in the United States. Area after area of the best timberland is passing to Americans. To some extent, of course, this is a natural business condition, since the States are so near at hand, their timber resources are declining, and their experienced timbermen naturally cross an imaginary line upon the Western map. The complete lack of interest in this field shown by British capital has, however, intensified the transfer into American hands of this main softwood supply of the British Empire.

It is not as if the supply of softwood timber were indefinitely great. The last great reserve of North America—Washington, Oregon, British Columbia, and Alaska—is already being eaten into. Oregon has very large virgin forests, Alaska is undeveloped, but the timber map of Washington shows the shattering effect upon the forest of the inroads that have already taken place, and the accessible waterfront timber of British Columbia is becoming obviously affected by cutting, even if many of the main timber areas of the province are still untouched.

High Wages Have Thrown Farmers' Purchasing Power Out of Balance

By ALEXANDER LEGGE, President, International Harvester Company.

I do not agree with the popular theory that the farmer's difficulties are all due to the war. It is my conviction that the American farmer has never had his fair share of America's prosperity. Statisticians may point to the huge total farm wealth or estimated value of farm property to-day as evidence that the farmer has prospered abundantly. That enormous total, however, represents chiefly the enhanced value of farm lands. Will anyone deny that the farmer, whose efforts alone have given the farm lands all their value, is justly entitled to what the economists call the unearned increment?

When we analyze the returns received from agriculture on an operating basis—that is to say, the proceeds actually received by the farmer for the produce of his farm—we find that even during our more prosperous periods the returns represent a very low rate of compensation for the efforts put forth by him and his family.

Again, do you realize that our farm mortgage indebtedness to-day amounts to as much as the total value placed upon all our farm lands only a little more than a generation ago? And if you will examine the figures you will see that by far the greatest part of the entire gain in farm values is represented by the higher basis at which the land is appraised at the present time.

Buying Power Out of Line

Perhaps one reason that makes the depressed condition of agriculture today more acute is the fact that this period of constantly rising values has apparently ceased and the farmer's credit can no longer be expanded on the basis of the increasing value of his land. Therefore, perhaps we had some part of the adjustment coming to us, even without the changed conditions brought about by the late war. Perhaps we can best understand the present situation of agriculture by reducing the returns the farmer receives for his produce to a basis of compensation corresponding to the wages of the workman and the salary of the office employee—in other words, to the compensation received for his labor.

To-day the compensation of the farmer is hopelessly out of line with the compensation received by the men in virtually every other occupation. When we realize that it takes the gross proceeds of an acre of wheat in North Dakota to equal the daily compensation of a man engaged in the building trades in our larger cities at the present time, it is easy to understand that the farmer is in a pitiable position when he comes to purchase the goods produced by the higher paid men of other industries.

We cannot hope to have a high level of wages for labor and at the same time to have a low price for the commodities which that labor produces, for the plain reason that fully 80 per cent. of the wholesale price of manufactured articles, generally speaking, is paid to somebody as compensation for labor entering into the cost of production. This percentage may strike you as high, but in reality it is a conservative estimate, based on exhaustive studies made in many lines of production. The wide discrepancy between this figure and the idea that prevails generally is due to the fact that when the manufacturer is asked for the labor content in his goods, he usually quotes only the labor cost in his particular manufacturing operation, ignoring the fact that the cost of the raw materials he uses is largely represented by the pay roll of the fellow who produces the raw material.

Cost of Transportation

To state this a little more clearly, let us take the cost of transportation. The railroad manager will tell you that 52 per cent. or 54 per cent. or some such percentage of the revenue of the railroad is paid out for wages. This is the railroad's direct pay roll. It does not take into account the wages of the men who mine the coal and of those who transport it to the place where it is needed to fire the locomotive. In fact, the coal bill, which is the second largest item of cost in railroad operation, is mostly a labor bill, as you can buy all the coal you want at ten cents a ton in the ground. When you add to the 52 per cent. direct labor expenditure of the railroads the indirect labor bill for the coal they burn and for producing the locomotives, the cars and rails with which they operate, you will see that something over 80 cents of every dollar that is taken in for transportation is paid out for labor necessary to make that transportation possible.

Now, please do not get the impression that I am offering an argument against the higher rate of compensation. With the heavy burden of debt the nation has accumulated as a result of the war, it will undoubtedly be much easier for us to pay the bill on a high rate of compensation for everybody than on a low rate. What I am trying to make clear is the present inequality of the rates of compensation as between the farmer and all other workers. This condition cannot continue. Either the compensation of the farmer must go up or the compensation in other industries must come down until some kind of equality is reached.

In industry when we find a factory, or department in a factory, going wrong or operating on an unsatisfactory basis, the first thing the management asks for is an analysis of that factory or of that particular operation. Facilities for a better analysis of the actual results of farming operations are a fundamental necessity which to-day apparently no one can supply. Our farmers need to keep a better record of their operations for two purposes: first, so that they may have more accurate information as to which commodity raised on the farm produces the best returns; and second, so that they may present more definite and conclusive information to others.

A lot of my farmer friends roast me unmercifully about the cost of farm implements, yet I have never found one of them who could show for a period of years that his average cost for implements and for repairs to maintain them amounted to more than 7 or 8 per cent. of the amount necessary to operate his farm. The figures in most cases were much less than that.

The farmer, as I know him, does not want the sympathy of his fellow citizens, but he does want and he should have the co-operation and support of other industries and groups in putting his industry and his group on a more satisfactory footing. More accurate information about farm production will be helpful in adjusting his operations to changing conditions.

Increased cost of transportation has vitally affected the wheat growers in many sections of the country, particularly those farthest removed from the consuming centres, and it may be that the solution in certain localities can be found in changing the farmer's product from wheat to other commodities that are better able to stand the increased transportation cost.

Years ago I made a trip through Central and Western Siberia, a territory very closely resembling North Dakota and Manitoba, and with soil and climatic conditions much the same as in that part of our continent. I was surprised to find the railroad sidings in the villages lined with creameries, cheese factories, cold storage plants, small packing plants—and never a grain elevator in sight. The produce moving over the rails was largely carried in refrigerator cars, practically no grain being transported by the railroads.

The reason was simple. The rail haul of from three thousand to five thousand miles necessary to deliver wheat any consuming centre made the shipment of grain impossible, as the value at destination would scarcely cover the transportation charges. Therefore, notwithstanding the fact that the long winters were a handicap to dairying operations, dairying was the principal business.

My belief is that it will be found possible for this country to export food products of various kinds on a basis that will be remunerative to the producer. The first important step is so to improve our marketing arrangements that we shall not be forced to depress the value of our own products. Further, I believe that some sections of what is known as wheat producing territory to-day will find it more profitable to produce other commodities, which will naturally lessen the quantity of wheat surplus to be disposed of.

STEVEDORE'S CLAIM HEARD IN ADMIRALTY

Precedent Established When Quebec Court Allowed Claim To Be Filed

From Our Own Correspondent

MONTREAL.—A local judge in the admiralty division of the Exchequer Court of Canada for the Quebec Admiralty District has held that he had jurisdiction to hear a claim brought by a stevedoring contractor against a British steamship for wages in connection with the stowing of grain on board the vessel while in the port of Montreal last year. The owners contended that the law did not provide for admiralty action in stevedoring claims.

The court ruled that the Colonial Courts of Admiralty Acts of 1890 and 1891, which were imperial statutes, gave the Exchequer Court, as a court of admiralty in Canada, the same jurisdiction as that of the High Court of England. It was admitted that the jurisdiction given under these acts did not extend to a claim such as formed the basis of the present action, but it was maintained that the imperial statute of 1911, entitled, "The Merchant Shipping Act," applied to Canada. This statute enlarged the remedies of persons having claim for work done in connection with the stowing or discharging of ships' cargoes or the trimming of coal on board ships, and gave jurisdiction to all courts having jurisdiction in admiralty. The defendant's motion to dismiss the action was rejected with costs.

This decision is considered to have established a precedent in the application of marine law in Canada.

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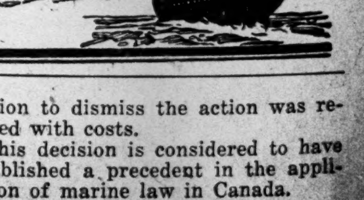

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NO SHORTAGE OF ENTHUSIASM FOR THE WHEAT POOL

New Plan Being Carried in West in a Whirlwind Campaign

FARMERS NOW EAGER

Aaron Sapiro Advises Farmers to Keep Control of the Marketing Machine Themselves

From Our Own Correspondent

EDMONTON. — Practically the whole farmer public is now eager to get a wheat pool into operation, and it is highly significant that the business public also is supporting the project, the Boards of Trade in both Edmonton and Calgary having lined up to help the farmers get what they want. The Committee of Seventeen represents the United Farmers, the government, the Boards of Trade, and other interests.

Aaron Sapiro expresses confidence that a pool can be organized and manned in time to handle the present season's crop. He made it clear in his several addresses in the West that it would be a matter of years to make it perfect and fully effective, but a substantial beginning could be made forthwith, he declared, and while there were difficulties in the way of setting up such a scheme there was also an unique opportunity, inasmuch as this country is the key to the world's wheat market.

Five Year Contracts

Essential to the scheme, as the California expert has introduced it, are the signing of five-year contracts covering over 50 per cent. of the wheat crop of the province; the acquisition of sufficient elevators to give storage accommodation; and the engagement of a capable man to act as central selling agent. Mr. Sapiro is of the opinion that the contracts can be secured by a whirlwind campaign, in which the farmers themselves will do the canvassing, and already several strings of elevators have been offered or promised by old-line operators at present doing business through the West. It really looks as though the whole country is disposed to give the wheat pool idea a fair trial, and the agricultural and business interests are co-operating to that end.

Mr. Sapiro was most emphatic in his warning that the organization and conduct of this or any other wheat marketing scheme must not be left to the government. It was highly desirable, he said, that the farmers carry the enterprise themselves, and it would be a mistake for all concerned if the pool were mixed up in any way with politics. This was advice that was particularly acceptable to Premier Greenfield and his ministers, who have from the first been taking a similar stand and have been acting only in an advisory and co-operative capacity. The attitude of the government toward the whole project is friendly, and Premier Greenfield has, because of the recent turn of events, cancelled his engagement to confer on natural resources in Ottawa in order to give his attention to the wheat pool organization at home. The resources question will now stand over until November.

At the same time, it is an open secret that the Sapiro tour and the resulting wave of enthusiasm have come just a little sooner than the government desired. The premier and his colleagues are giving the movement their blessing and assistance, now that the people are clamoring for it, but their own preference would doubtless have been that their first intention of taking more time to work it all out might have been followed. There are difficulties in the way. It remains to be seen if they can be overcome as quickly as Mr. Sapiro thinks.

Pulp and Paper Growth In Northwest Ontario

From Our Own Correspondent

MONTREAL.—News of the signing of an agreement between the Great Lakes Pulp and Paper Company and the city of Fort William for the establishment of a $3,000,000 paper mill at the head of the Great Lakes is another indication of the rising power of the Thunder Bay district in the pulp and paper industry. Many new developments have taken place there during the past year or are planned for immediate construction.

The Provincial Paper Mills, through a subsidiary, have just completed a large mill at Port Arthur. The Fort William Paper Company, associated with the Spanish River Pulp and Paper Mills, have established a newsprint mill. The Carrick interests, together with Chicago people, are now going ahead with the Great Lakes Pulp and Paper development. In the same part of Ontario the Backus-Brooks Company are constructing at Kenora what may eventually be the largest newsprint mill in Canada. The same group are operating the Fort Francis Pulp and Paper Company, making newsprint and insulite. Further north and east the Spruce Falls Company at Kapuskasing are proceeding with development.

Old Boy Celebrations Don't Help Business

The failure of recent old boys' gatherings would seem to indicate that the popularity of these events has run its course.

Merchants, who from time to time have been called upon to donate generously towards the preliminary expenses, hoping that when the event was staged they would get their money back plus a substantial profit, have found of late that things were not working out as they used to. In other words, one very essential element has been conspicuous by its absence—the old boys with their buying power.

The recent celebration at London and the 1922 celebration at Windsor stand out as the most conspicuous cases. There has been a great deal of fun produced but little business. The old boys did not come home because there were no cheap fares on the railways, and the old girls and boys at home quit buying to celebrate. The result is that merchants found that the celebration made for a decline in regular business rather than a generous boost in turnover.

Business Men Have Confidence in Coolidge

The confidence of big business in President Coolidge to follow a sane course is reflected in this statement of Judge Gary:

"He has demonstrated on many conspicuous occasions that he is alive to the financial, commercial and industrial needs of the country, and that he stands for the protection of property and the welfare of individuals alike."

And these words from Chairman George F. Baker, of the First National Bank of New York—never before known to make a press statement: "I have equal faith in the ability and courage of Mr. Coolidge."

SHOULD TAX PUBLICLY OWNED ENTERPRISES

Should be no Unfair Competition Says Federation of British Industries

From Our Own Correspondent

MONTREAL.—That all state-owned commercial activities should be taxed on the same basis as privately-owned corporations, is the contention of the Federation of British Industries. The federation has presented to the British government a request that the government-owned trading institutions of the dominions in the United Kingdom should be taxed. This would apply to British activities of such organizations as the Canadian National Railways, the Canadian government ships, the Commonwealth Bank of Australia, etc.

The federation points to the unfair competition from state-owned enterprises of a commercial nature which enjoy special advantages with regard to freedom from taxation and other obligations and which has caused a certain amount of resentment in the commercial community.

To the end of removing the unfairness of this competition, the federation suggests that the principle of equal taxation should apply to all industrial and commercial activities of any government. For this purpose, special care should be taken to ensure that in ascertaining the cost of carrying out any work in a government establishment, full weight should be given to all factors which would be taken into account by a private contractor for the same piece of work, e.g., taxation, central and local; share of cost of general administrative staff; interest on capital involved and other overhead charges; royalties, and any other charge properly applicable to the circumstances of the particular case.

EMBARGO AGAINST APPLES CONTINUES

Australia Will Not Allow Canadian Product on That Market

From Our Own Correspondent

OTTAWA.—The inability of the department of agriculture to induce the Australian government to remove the embargo on Canadian apples is considered a rather unhappy augury for the development of inter-Imperial trade which, according to reports, is the trump card that Premier Bruce of the Commonwealth will play at the Imperial Economic Conference.

In the opinion of fruit specialists there is no ground for the embargo, it being imposed against the fruit of such countries in which it is believed pear and fire blight are believed to exist. That it is quite effectual is evident from the way it has kept down shipments of apples to the Commonwealth during the past year. The embargo was put on in February, 1921, and during the last two fiscal years there have been no exports of apples to Australia. That there is a market for them in the Antipodes is evident from the fact that during the last fiscal year New Zealand took 8,500 barrels.

This is another evidence that Australia is a rather hard country to deal with. It is understood that the Commonwealth government is sending an economic adviser to this country during the fall to talk over matters, but it is feared that if a stronger general willingness to trade is not manifested such visits will not do much good. At the same time, it must be admitted that, as during the year ending June imports from Australia were only $1,545,000 while exports thereto were nearly $20,000,000 the trade was very one-sided against the Commonwealth. The trouble is that it has such a small range of exports that Canada needs.

Despite the preference granted to sugar from the West Indies, Jamaica appears to think it not sufficient, several important public bodies on that island having decided to ask Canada to abolish the duties and color test now imposed. The last West Indies' trade treaty has not produced the results expected of it.

POLITICAL TRUCE MARKS THE POOL IN SASKATCHEWAN

All Factors Get Together in New Marketing Proposal

THE POPULAR THING

All Creeds and Colors and Politics are Mixed in the General Effort to Meet New Public Demands

From Our Own Correspondent

REGINA. — Assurance by Hon. Charles Dunning that the co-operative wheat pool scheme will have the full support of the Liberal government of the province seems to indicate that a political truce has been declared. Mr. Dunning, as premier, has made the statement that no ulterior motive is behind his pledge of government co-operation. The pledge, he says, is merely made in the interests of western agriculture.

Nevertheless, the apparent reconciliation of the government to a proposal first fostered by the Saskatchewan Grain Growers' Association, is rather an enigma for those who prided themselves upon knowledge of the western political situation. Hon. J. A. Maharg, who was "fired" from the post of minister of agriculture in the present Saskatchewan government, is—and has been for years—the official head of the S. G. G. A. And the association, having expressed its intention of taking active part in the provincial politics at its conventions in 1922 and 1923, has long been recognized as the only political menace to the Dunning regime.

In spite of cordial animosity which existed in 1922 and 1923 between the administration of the province and the organization of farmers of which Mr. Maharg is chief, these two factions have come together and are working side by side on wheat marketing.

A Political Mixture

The non-political, or equal-political nature of the proposed voluntary pool is very effectively illustrated in the composition of its board of controllers.

Mr. Maharg, the chairman, is very ardently a Progressive, and has frequently declared himself—though not in connection with wheat marketing matters—in opposition to Mr. Dunning's government.

Hon. C. M. Hamilton, member, is minister of agriculture in the Dunning regime, and is a hard and fast Liberal.

A. C. Wilson, Dominion seed grain commissioner, the third man on the board which is to govern wheat pooling, is a Tory of the old school, as ardent and loyal a Conservative as Sir Arthur Meighen could wish.

So it is that in the cauldron where boils the preliminary arrangements for a new wheat marketing system for the West, one finds all these political elements—hitherto deemed incompatable.

But the ramifications of the situation, which cannot fail but intrigue the neutral observer, do not end at this stage by any means.

Interesting Side-Lights

Some very amusing incidents occur in the gratuitous advice which is being showered from all sides upon Mr. Maharg and his co-operative associates. Hon. George Langley, president of the Saskatchewan Co-operative Elevator Company, and J. B. Musselman, managing director of the same concern, engaged in some controversy as to whether it was advisable or not to hedge futures in connection with the business of a voluntary pool, Mr. Langley contending not and Mr. Musselman upholding this time-honored practice of legitimately-operated grain selling organizations.

Mr. Musselman only vacated the post of manager and secretary of the Saskatchewan Grain Growers' Association at the beginning of the year. He is regarded as quite an authority on wheat marketing.

Mr. Langley, on the other hand, was formerly a member of the W. M. Martin cabinet. He, too, is an ardent Progressive and though long considered as hand-in-glove with Mr. Maharg, the latter took occasion to administer reproof upon the subject of Mr. Langley's evidence before the Royal Grain probe.

Then again there is the announcement that the Farm Union of Canada, which has been boosting Aaron Sapiro, the Californian co-operative expert, as the man who will solve Saskatchewan marketing problems, is to combine with the Saskatchewan Grain Growers' Association. That is, insofar as voluntary pooling is concerned.

The Farm Union was considered to be very "radical" by the S. G. G. A. up to a few days ago—dangerously radical in fact. Yet fusion in pooling has been accomplished.

Reduction Indicated In Manitoba Wheat

Crop reports issued by the Canadian Bank of Commerce, on the advices from branch managers in Western Canada, indicate that in Manitoba the estimate for wheat declined from 133 per cent. to 124 per cent., as compared with the previous week. In Saskatchewan the decline was from 156 per cent. to 153 per cent., and in Alberta from 169 per cent. to 163 per cent.; 100 per cent. represents the ten year average.

The changes indicated for the other crops are not important and the averages are still high.

The Trend of Business

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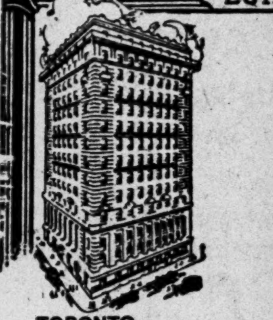

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News and Views for Investors

C. P. R.

Some brokers are pointing to C. P. R. as an attractive issue at present levels around 150. The yield is 7½ per cent. at this price while the company is faced with a good prospect of heavy fall earnings.

CANADIAN CAR

During the month of July the Canadian Car and Foundry Company shipped 500 automobile cars for the Canadian National Railway: 12 first class coaches for the same line; 12 forestry cars for the Belgo-Canadian Paper Co. and 36 motor cars for the Toronto Transportation Commission.

OTTAWA ELECTRIC

The Eastview town council has approved of the proposition advanced by the Ottawa Electric Railway Company to provide a street railway service for the town in return for a thirty-year franchise. The service would start this fall, it is expected. Necessary documents were ordered drawn up.

WINDSOR HOTEL

According to J. Alderic Raymond, financial director of the Windsor and Queen's hotels in Montreal, the business of these institutions is running about the same as last year. Gross income is not much larger and the operating ratio remains the same.

OTTAWA-HULL POWER

Practically the whole issue of Ottawa and Hull, $1,500,000 7 per cent. preferred stock, has been subscribed for and distributed to permanent investors, it was announced by Nesbitt, Thompson & Co., Limited. It was also stated that there is quite a demand for this issue for English account.

SEA SLED COMPANY

British and European rights to the Sea Sled have ben granted by the Sea Sled Company to Swan and Hunter the large firm of British shipbuilders. Rights for Japan and China are also included. The Swan and Hunter have purchased a substantial stock interest in the Sea Sled Company which was financed in Canada about a year ago.

IMPERIAL OIL

Imperial Oil and others of this class traded in the unlisted section of the markets has shown a weakness in keeping with the general position of the oil industry. However, the break in Canada has not been as serious as in the United States where a gasoline war is raging. Imperial is now selling at $100 or 4 times its par value.

BROMPTON

Brompton's acquisition of Dominion Lime is regarded as important. Lime is an essential in pulp and paper making and not a little of the supply comes from abroad. Heretofore Brompton purchased its supplies from the Dominion Lime Co., having taken over one half of its output. The acquisition of controlling interest should augment Brompton's resources.

OGILVIE MILLING

The tenth anniversary of the establishment of the Ogilvie Flour Milling Company's plant at Medicine Hat, Alta., was recently celebrated. The plant now turns out 2,500 barrels of flour a day when running full time. Since the commencement of operations and up to the present time the company has shipped out over five milmion barrels of flour.

ANOTHER PAPER PLANT

The Garden City Paper Mills at St. Catharines, Ontario, proposes to build another paper mill to cost around $400,000. The president of the Garden City Mills is Lorne Gardiner and the products of the company include light papers, tissue papers, towels and wax paper. An allied company is the Canadian Vegetable Parchment Company with a mill at Merritton, Ont.

Three classes of Canadian Connecticut Cotton Mills, Ltd., shares have been listed upon the Montreal Stock Exchange. These consist of 100,000 shares of Class A Common of $10 par value; 50,000 shares of Class B Common, of $10 par value; and 30,000 shares of $100 par value preferred.

SHAREHOLDERS ORGANIZE

A shareholders' protective committee to look after their interests has been organized by shareholders of Loew's Metropolitan of Montreal. An assessment is being levied to finance the committee. Many shareholders expressed surprise when informed that the treasury was exhausted and that debts stood at $100,000 in as much as more than $500,000 had been subscribed.

AMES HOLDEN

R. Montagu Davy, formerly secretary of the Dominion Bridge Company has assumed the duties of president and general manager of the Ames Holden Company, Limited, the previous president, D. Lorne McGibbon, having become chairman of the board of directors. It is understood that his appointment arose out of the service he was able to render as a member of the bondholders' committee for Ames, Holden. Mr. Davy in addition to his other duties was also one of the leading members of the creditors' committee of the Riordon Company.

LOEW'S LONDON

London Loew's Theatre has enjoyed a steady run of good business this year and the opinion is held in some quarters that the beginning of the final dividend period of the year should see the preferred arrears cleaned up. If this is done it will mean the distribution of 14% in a 9 months' period. The company resumed dividends at the close of 1922, when a disbursement for six months, being at the rate of 3½%, was declared. At April 1 a further distribution for six months was announced, and at July 1 a dividend for the current quarter was declared. It now seems possible that in addition to the regular quarterly dividend there will be provision for the balance of arrears for two quarterly periods at the end of the next quarter.

CANADA BREAD

Canada Bread is expanding further and now owns the Slinn Co. at Ottawa for a purchase price in the neighborhood of $300,000, which includes the bonds of the directorate of the Slinn Bread Company, capitalized at $250,000. The Slinn Bread Company is the oldest and largest bread business in Ottawa. It operates 34 wagons and does a big shipping business. Canada Bread has been selling of late at 55, 190 shares having changed hands at that price since July 3. The previous sale was at 59 on July 6. While the 1923 high of 66¼ was reached in March. As the end of each quarter has approached there has been quite an activity in the stock due to the belief that dividends on the common might be resumed. However, some feel that the heavy expenditure on expansions may mean that this will be further delayed, although it is not certain.

MILLING OUTLOOK

While the market position of milling stocks has not been as secure of late as it was earlier in the year, due to a decline in earnings, figures on exports for the year ending June 30 of this year show an increase of 3,000,000 barrels in export to a total of 10,000,000. It is pointed out that Canadian flour is now being sold to 64 foreign ports and the prospects of a more favorable price for their raw material will better equip the Canadian companies for competition in these markets.

LAKE SUPERIOR CORPORATION

Shareholders of Lake Superior Corporation, which controls Algoma Steel and other subsidiaries, have evidently lost confidence in the position of the concern. There is a report of heavy selling of the bonds and stock, the latter breaking down to 5. The income bonds of the corporation recently took a drop. The earnings report for the fiscal year, which ended June 30, has no doubt been compiled, but stockholders have not been informed as to what sort of an exhibit it is likely to make. The thought prevails that the buying of the income bonds of late has been for the corporation. These securities mature October 1, 1924, and are now selling at 22. Lake Superior is now quoted at about one-half the price ruling when certain of the stockholders got together with a plan in mind to bring about a change in the management. Progress made in this direction is not known.

NEW BRUNSWICK CHEESE

FREDERICTON.—The cheese output of the province of New Brunswick is increasing, as is also the butter production, according to J. R. Sutherland, assistant dairy superintendent of the Provincial Department of Agriculture. The increase in the output of cheese in Southern New Brunswick is some 20% over the production of last year.

SHORTAGE OF LABOR

FORT WILLIAM.—There is still a shortage of both skilled and unskilled labor at the head of the lakes, no doubt, due to the heavy elevator construction The contractors are rushing the work programme, that is being carried on, forward with all possible speed with a view to having the various elevators and additions ready to handle the fall crop.

LIKE ONT. POTATO SEED

WOODSTOCK.—Virginia growers are all most enthusiastic over Canadian potato seed, according to the statement of H. H. Hatfield, who has just returned from a trip from that State, where he was making an investigation of the out-turn of the New Brunswick potato seed in comparison with that of Prince Edward Island and Maine. The productivity of the New Brunswick and Prince Edward Island seed was about equal, but New Brunswick potatoes brought forth better formed tubers. On the whole Canadian seed proved more productive than that of Maine in the ratio of two to one.

MARKET SHOWS FIRM TENDENCY DURING THE WEEK

Most Issues Unchanged But Gains Exceed the Losses

MINE SHARES DOWN

Air of Uncertainty and the Difficulty in Gauging Fall Business Outlook Holds Investors Back

There have been no general changes in affairs that would have an important influence on the markets one way or another. New York has shown signs of a tendency to firmness, and that tendency is also visible on the Canadian exchanges. It will be seen from the table below that the market has been fairly firm with the tendency upward. The unchanged column is greater than the total of the gains and losses, while, on the other hand, the gains of the week have more than doubled the losses.

The measure of strength which the paper group showed last week was well maintained this week, there being no losses and six gains. Milling stocks were the other feature of the week's trading, some of these issues regaining some of their losses. There is an optimistic feeling among some investors in regard to the fall business outlook. Many consider the signs promising, according to some brokers, and they state that this explains the slight signs of strength which the market has been evidencing.

Group	Total	Gain	Loss	Unchd.
Paper	10	6	0	4
Industrial ...	30	7	5	18
Specialties ...	17	4	0	13
Traction	13	7	3	3
Utilities	10	2	1	7
Steel	11	1	2	8
Textile	12	1	1	10
Milling	8	3	0	5
Banks	12	4	4	4
	123	35	16	72

The feeling of insecurity which exists, however, has been keeping many investors from getting into the market. This is evidently the situation in New York also, as evidenced by the market letter of Henry Clews and Co. They see greater activity coming with the nearer approach of September. They state:

"The bond and stock markets have presented no new features of consequence during the week, but notwithstanding their inelasticity, a fairly firm undertone has ruled and as a result a somewhat more confident tone prevails," says James B. Clews, in the weekly market letter of Henry Clews and Company.

"Aside from the summer dullness few people care to make fresh market or business commitments until the new administration makes known its policies regarding the big problems which it will be called upon shortly to consider. Clean-cut announcement of a constructive nature would undoubtedly do much to increase the buying power, which it must be confessed, is no more than sufficient to absorb offerings at the moment, light as they are.

"The situation would be changed in short order if the large financial interests were to feel more secure of their position. It is hoped, therefore, that the president will take the public into his confidence without delay. It is recognized that most stocks are cheap, based on assets and earning power; it would not require any great increase in demand, therefore, to restore quotations to something more truly representing their book values. September is usually a rising month and with its approach there should be greater activity."

Toronto

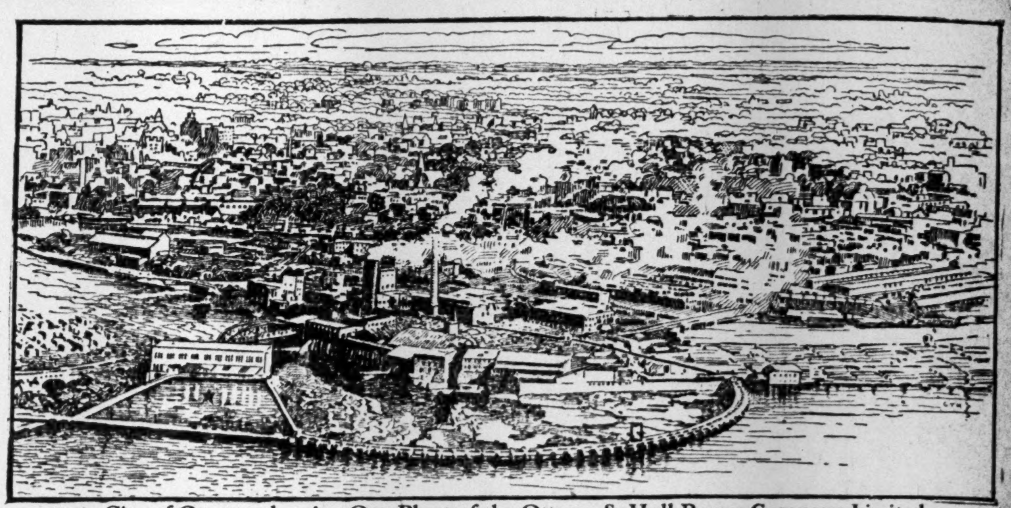
There was a slight broadening of the list of the Toronto market during the week, but trading on the whole was not much stronger. Operations were more or less spasmodic and there were really few buying orders forthcoming. The slight improvement at New York was helpful, however, as it aided in arresting, slightly, the downward tendency of the list. The investment issues have come in for the most trading.

The mining list has been fairly active with trading scattered. Changes were, on the whole, few in number and the majority of these were downward. Right now the list on the Standard Exchange is lower than it has been for some time, most of the leading golds being much below the year's high.

MONTREAL.—It did not take a great deal to give a semblance of activity to the stock market this week. Discussions of the impending purchase of St. Maurice Paper Company by one of the other companies in the district and the consequent rise in St. Maurice stock seems to stimulate interest in the market. Trading was broader and prices stronger than for some weeks past. The paper stocks particularly acted favorably.

There is something in the nature of a difference of opinion regarding the pulp and paper stocks. Cautious observers are pointing to a possibility of a decline in the consumption of newsprint as a factor that is likely to adversely affect profits. On the other hand, it is shown that the losses of the companies in the deflation period were due to reductions in the value of their raw materials rather than to any small decline in consumption of the output. Moreover, the paper stocks on the average are not as high to-day as they were at September 1, 1922.

The mining stocks are the other group that is looked upon with most favor as likely to show appreciable improvement during the next year.



★ City of Ottawa, showing One Plant of the Ottawa & Hull Power Company Limited

NEW ISSUE

$1,500,000

Ottawa and Hull Power Company

Limited

7% Cumulative Preferred Stock

Quarterly dividends, free of normal Income Tax, payable 15th March, June, September, December. Dividends on this stock will accrue from September 1st, 1923.

Transfer Agent: The Eastern Trust Company, Montreal

Registrar: Montreal Trust Company, Montreal

CAPITALIZATION

	Authorized	Issued
First Mortgage 6% Bonds due 1948	$5,000,000	$2,500,000
Cumulative 7% Preferred Stock (this issue)	1,500,000	1,500,000
Common Stock (shares of no par value)	25,000 shs.	25,000 shs.

THE COMPANY: Formed to acquire the Ottawa & Hull Power & Manufacturing Company, Limited and to provide funds for the extension of the properties.

PROPERTIES: Two hydro-electric plants at Chaudiere Falls on the Ottawa River, separating the cities of Ottawa, Ont. and Hull, Que., having upon completion of present construction a capacity of 40,000 h.p. For future development the Company controls a power site 50 miles from Ottawa capable of developing 60,000 h.p.

All water powers and plants are located in the Province of Quebec.

EARNINGS: The net earnings of the Company available for dividends on this issue of Preferred Stock, based on actual results of this year's operations to date and from additional power to be sold under present contracts, are estimated at:

1923—$120,000 1924—$150,000
1925—$175,000 1926—$200,000

TERRITORY SERVED: The territory served, includes the cities of Ottawa and Hull, a rich residential and manufacturing district and a centre of the lumber, pulp and paper industries where there is an increasing demand for hydro-electric energy.

Capitalization per h.p. is very low. Total interest and dividend bearing securities amount to only $100 per h.p.

We offer the above shares as, if, and when issued and received by us, subject to the favorable opinion of our counsel.

PRICE: 99 carrying a bonus of 25% Common Stock

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The statements in this circular are not guaranteed, but are based on information which we believe reliable and on which we acted in purchasing these securities.

250

SOME INVESTMENT OPPORTUNITIES NOW

Bache & Co. Think Conditions Sound for a Continued Period of Prosperity

NEW YORK.—The gradual and orderly decline in prices of commodities from month to month, instead of a precipitate rush downward as in 1920, would indicate a gradual approach to stabilization of prices, in the opinion of J. S. Bache & Co. Such a stabilization would be favorable for a longer continuation of prosperity, if labor does not insist upon wage increases, thus cutting down margins of profits, and leading to partial or total closing down of operations. This has already happened in some lines, like cotton manufactures. In many operations profits are small, necessitating a large volume of production to make manufacturing profitable. Output has been speeded up and production made very large, but the difficulty here is that production may overtake consumption. This also has happened in some cases. It is rising wages and costs of production that industry has to contend with. Much of the future depends upon the attitude of labor.

Meantime labor is receiving large wages as a class, and the spending of these has kept up a great volume of retail trade.

There is no reason why this should not continue into the autumn, keeping business good while it lasts.

The stock market appears to have been pretty thoroughly liquidated and to have reached a period of temporary stability. Good or bad news may develop, but the technical position of the market is favorable for expansion. Some securities of the better class are undoubtedly a purchase for investment.

Good Business in Metal-Working Trades

The majority of Canadian metal-working and allied trades report good business during the past week, with prospects of improvement, according to Canadian Machinery. While summer slackness is having its effect in many lines, manufacturers and dealers are far from pessimistic, although buyers are pursuing a hand-to-mouth policy and large orders, particularly in the machinery and machine tool industry, are few.

This conservative attitude on the part of purchasers is reflected in the producing end by manufacturers "making haste" very slowly. This condition extends to the entire industry and to all parts of the Dominion.

Discussing this situation, T. A. Hollinrake, president of the A. R. Williams Co., remarked to Canadian Machinery: "However, there is no cause for pessimism in this. Things will change.

Colonization Board Issues Land Listings

Evidence of the increasing activity of the newly-organized Canada Colonization Association is to hand in the appearance of the first offerings of farm lands listed for sale with the association.

All told, about 1,200 parcels have been listed, the total area amounting to over a million acres. Some of the listings are large tracts, varying in size down to the quarter section farm. The listings have been divided by the association into provinces, a separate booklet being issued for Manitoba, Saskatchewan and Alberta, to which the initial efforts are being directed, pending organization of British Columbia, which will take place in the near future.

The listing books set forth that for the purpose of locating easily the lands in the various provinces, these have been subdivided into districts. The districts are about 50 miles by 100 and are named after either a prominent city located in the district or else after some well-known topographical feature. Thus in Manitoba there are districts named after Turtle Mountain and Riding Mountain, in Saskatchewan, Lucky Lake and Tramping Lake, and so forth.

It is specifically stated in the booklets that the description of the lands is as furnished by the owner, and is not guaranteed by the association. Settlers are, however, given a free and impartial report on any piece of land before purchasing, if they so desire.

MANITOBA'S FARMS

WINNIPEG.—The increase in the number of farms in Manitoba in the last decade has been about 9,000, according to a statement issued by the Dominion Bureau of Statistics, or at the rate of nearly 1,000 a year. The province has now more than 53,000 occupied farms, with an area of over 14,600,000 acres, the average size of the Manitoba farm being 274.2 acres. The value of the farm property of the province, based on the census of 1921, is placed at $656,500,96.

NATIONAL RAILWAYS CUT OPERATING RATIO

Improvement Noted in Affairs of Government Lines in the May Statement

OTTAWA.—The operating revenue of all Canadian railways in May showed a gain of 4.17 per cent. over April and of 10.2 per cent. over May of last year, as recorded by the Dominion Bureau of Statistics. The betterment over 1922 was in all the main earning divisions, but particularly in passenger traffic, which registered an increase of 8.6 per cent.

Operating expenses in May exceeded those of April by 4.76 per cent. and were 10.5 per cent. higher than those of May, 1922.

Operating revenues for May on the Canadian National Railways were $17,551,126 against $16,046,110 in May, 1922, while operating expenses increased from $15,446,468 to $16,587,090. A betterment of 18.7 per cent. in passenger revenues took place, and of 8.5 per cent. in earnings from freight service. The operating ratio was reduced from 96.25 per cent. in May, 1922, to 94.50 in May, 1923.

The wages bill was larger by $865,736, and the number of employees was increased by 8,130. Operation revenues on the Canadian Pacific Railway increased from $13,933,389 for May, 1922, to $14,282,877 last May, while operating expenses increased from $11,525,048 to $12,567,260. The operating ratio rose from 82.7 to 87.9, the chief addition in outgo was in the department of ways and structure amounting to 20.3 per cent. Wages increased by $651,173 and the number of employees by 6,271.

Crop Percentage Still at a Very High Level

Crop report bulletins issued by the Canadian Bank of Commerce, based on advices of branch managers in Western Canada, indicate that in Manitoba the percentage of wheat declined in two weeks from 133% to 116%. In Saskatchewan the decline was from 156% to 151%, and in Alberta from 169% to 156%; 100% represents the ten-year average.

The changes indicated for the other crops are not important, and averages are still high.

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TORONTO

Atlantic City dispatch quotes B. N. Duke saying financiers and not politicians will be able to avert trouble between England and France. Says Ruhr situation is wrapped in maze of ancient diplomacy and made mysterious by politicians.

WILL LAURENTIDE OR BELGO BUY IN ST. MAURICE CO.?

New York Owners of St. Maurice Are Not Anxious to Sell

LARGE TIMBER LIMITS

Union Bag and Paper Corporation Values Reserve Timber Supply of Their Canadian Subsidiary

From Our Own Correspondent

MONTREAL.—With two different groups after the company, there is an excellent possibility of the control of the St. Maurice Paper Company coming to Canada. The negotiations at the moment are between Laurentide and St. Maurice and the president of Laurentide has been in New York this week continuing the discussions that have been under way for some months.

Even if the deal for the purchase of the St. Maurice Paper Company by the Laurentide Company fails to materialize there is a possibility of St. Maurice being purchased by another syndicate. A price of $140 per share for the controlling stock of St. Maurice has been offered by R. O. Sweezey, head of the firm of Newman, Sweezey & Company and it is quite likely that in this deal Mr. Sweezey is representing the Belgo-Canadian Company or at least the new interests in the Belgo Company.

Why Laurentide Wants It

Laurentide has been very anxious to get hold of St. Maurice for some time. Apart from the large savings estimated at well over $300,000 per annum, that would be effected in wood operations and in some other ways by consolidating the work of the two companies there is the fact that the Laurentide Company is anxious to enlarge its timber holdings. It already holds large timber limits that its owns or controls under license, but the Laurentide Company is no longer young and as each year has gone on its woods operations have become located further and further away from the mills, adding greatly to the cost of the pulpwood supplies for the grinding machines and the sulphite digestors. Laurentide has carried on an aggressive policy of reforestation, planting over a million trees a year and planning to increase this to five million trees a year by 1925, but this is a slow and expensive procedure for the provision of future supplies of pulpwood and if the company could get hold of valuable and important limits of virgin forests nearer to its present mills at Grand 'Mere its timber supply problem would be solved. The acquisition of the St. Maurice Company would provide just what is needed in this regard, it is understood.

Owners Not Willing to Sell

On the other hand the present owners of the St. Maurice Paper Company, the Union Bag and Paper Company of New York, have not shown any disposition to sell their property. They manufacture a considerable amount of sulphate pulp at Three Rivers, which is used in the manufacture of bags in the United States and this reserve supply of pulp is of great importance to them. In fact if the St. Maurice Paper Company is sold it is quite likely that a long term contract would have to be arranged whereby supplies of sulphate and perhaps other kinds of pulp will have to be supplied to the Union Bag and Paper Company from the St. Maurice mills and limits.

The whole difficulty in the working out of this merger or even a purchase is a fact that both companies are very wealthy and the St. Maurice Company's owners are not anxious to sell. It would require an excellent price, for the stock representing the controlling interests refuse to make any deal at all possible. A price as high as $150 a share has been mentioned which would bring the cost of the St. Maurice back to around $12,000,000, granting that the minority shareholders were given the same price as the majority. Even around the basis of $12,000,000, the capitalization per ton of output of the St. Maurice property would be small compared with many other companies in the industry.

Comparing the Companies

There are many parallels between Laurentide and St. Maurice. Each company has only one class of stock outstanding. The Laurentide Co. has $28,800,000 of its capital stock in the hands of investors and the St. Maurice Co. has $7,899,900 outstanding.

Neither company has any bonds whatever outstanding. The Laurentide Co. financed the construction of two new newsprint machines some time ago entirely out of earning without creating any additional financing. The St. Maurice Co., if it were not acquired, might go ahead with the construction of two additional newsprint machines in order to use its excess groundwood and sulphite production and this might involve a bond issue. However, this is a question of policy that is to be decided by the directors, who are largely representatives of the Union Bag and Paper Company.

The timber supply of the Laurentide Co. consists of 41,274 acres of timber lands that are owned outright and 2,057,600 acres of land held under license. An additional 20,000 cords of pulpwood are purchased yearly. The St. Maurice Company holds timber lands under license to the extent of 1,220,250 acres.

Production of New Mill

The production of the Laurentide Company consists of 375 tons of newsprint; 50 tons of pulp board; 150 tons sulphite pulp and 350 tons of groundwood pulp daily. The production of the St. Maurice Company consists of 115 tons of newsprint; 60 tons of sulphite pulp; 65 tons of sulphate pulp and 200 tons of groundwood daily.

The Belgo Canadian Paper Co. is a self contained institution and one that is not in need of further limits, but its business is essentially the same as that of the St. Maurice Paper Co. and the plants are not many miles apart. They could be operated together on a very satisfactory basis and St. Maurice, with the financial backing of the strong syndicate that now is in control of Belgo and with the management of the Belgo Company, which is rated as among the finest in Canada, could continue as a most flourishing institution.

ELECTRIC COMPANIES POOL THEIR PATENTS

And Bell Telephone Arranges To Transmit Voice By Marconi Wireless

From Our Own Correspondent

MONTREAL.—Following the example of a number of manufacturing companies in the United States, a group of electrical companies in Canada have agreed to pool their patents for the common good. Under the agreement each of the companies agrees to license all the other companies within their natural field. The companies agreeing to the arrangement are the Canadian General Electric Co.; the Marconi Wireless Co. of Canada; The Canadian Westinghouse Co.; the Bell Telephone Co. of Canada; the Northern Electric Co., and the International Western Electric Co. Under the agreement the Marconi Co. will have access to all wireless patents, the Bell Telephone Co. to all telephone patents, etc.

The Canadian agreement just announced is for the life of all existing patents and also covers future patents or applications for patents.

The agreement also provides for a traffic arrangement between the Bell Telephone Company and the Marconi Company for mutual interchange of part wire and part wireless messages. By this combination, a telephone subscriber—when arrangements are completed—will be able to speak by wire to the nearest land station of the Marconi Co., and then by wireless to a passenger on an Atlantic liner, lake boat or even a moving train. In process of time subscribers in Canada may also be able to speak to telephone subscribers in England or on the continent. Technical difficulties have to be overcome and the trans-oceanic telephone business must be placed upon a commercial basis, but the decision of these companies to pool their interests should hasten advances in the science in regard to every purpose for which this wonderful Aladdin's lamp can be used.

UNLISTED SECURITIES

	Bid	Ask
Alta. Pacific Grain 7% pf.	91	94½
Alta. Pacific Grain com...	100	118
Can. Ass. Goldfields, Ltd.	7	11
Can. Kirkland Gold Mining Co. Limited	5	7
Can. Westinghouse 8% c.	128	133
Continental Life..	108	..
Com'l Finance, pref. 25% bonus com.	70	76
Canada Machinery, pref...	37	..
Can. Marconi Wireless..	1.25	2.00
Crown Life	80	..
Cockshutt Plow 7% pf...	40½	42½
Can. Oil Companies, pf...	96	..
Can. Oil Companies, com.	..	53
Cosgrave Breweries	4.50	5½
Dom. Power & Trans, pf.	93	..
Dunlop Tire, 7% pf.	83	86
Durant Motors of Canada	8.50	9.50
Dominion Mfg. pf.	58	..
Dom. Fire Association ..	Offer	
Dom. Sewer Pipe, com. ..	32	..
English Electric, pf.	..	70
English Electric, com. ...	..	14
Excelsior Life..	31.50	
Farmers Dairy	51.00	
Famous Players, 7% pf., 50% com...	..	78
Gunns Limited 6% pf. ..	..	30
Great West Life	214	..
Imperial Oil Co.	98	102
Inter. Milling Co., pf. ..	96½	99
K. & S. Tire, 7% pf., 25% com.	23	32
La Paz Oil	..	30c
Lambton Golf Club..	450	415
Loew's Toronto, pf.	..	60
Loew's Toronto, com.	25	30
Loew's London, pf.	4.25	5.00
Loew's London, com.	1.00	2.00
Loew's Buffalo, pf.	54	..
Loew's Buffalo, com.	.90	1.75
Loew's Ottawa, com.	90	..
London Loan & Savings ..	46	51
Massey Harris Co.	46	49
Manufactur's' Life 20% pd.	55	..
Ont. Equit. Life (25+$10 paid)	..	35
Peoples Loan & Sav. Co.	60	..
Pantages Hamilton 7% pf.	25	..
Robertson, P. L. Co.	20	35
Simpson, Robt. 6% pf...	91	..
Sun Life Assurance	140	..
Steel L. R. Units 2-1-1 ..	2	..
Trust & Guarantee	76	80
Western Grocers 7% pf. ..	...	49
Whalen Pulp & Paper, pf.	17	19
Whalen Pulp & Paper, cm.	..	6
Mortgage Discount Units..	8	12

BONDS

	Bid	Ask
Abitibi Gen. Mtge. 6's 1940	95¼	96¼
Algoma Steel 5's 1962	40	42½
Am. Sales Book 6's 1927..	97	..
Ashdown Hdwe 5% 1928 ..	95	97
Brompton P. & P. 8% 1941	106	110
Dom. Power Co. 5's serial	Offer	Bid
Davies, Wm. 6's 1942 ..	..	94
Dom. Iron Steel 5's 1939 ..	79	81
Dunlop Tire 6's 1927	99.50	
Dom. Sewer Pipe 6's 1927	93½	..
Eastern Car 6's 1952	94	95
Gord. Iron & Fare 6's 1927	..	40
Harris Abattoir 6's 1928 ..	99¼	..
H. Smith Paper 7% 1941	100¼	101¼
Lambton Golf Club Bonds		Bid
K. & S. Tire, 7's 1935	75	80
Lake Superior Pap. 6's 1941	103	Bid
Marcus Loew's 8% Notes	..	94
Marcus Loew's 6% Serial	Offer	Bid
Mattagami Pulp 7% deb.	33	34
Morrow Screw 6's 1931 ..	84	..
Mt. Royal 8% deb. 30% c.	79	81
Neilson's Wm. 6's 1933 ..	97	..
Simpson Robt. 5's 1952 ..	85	..
Spanish River 8's 1941 ..	105¾	106¾
Stan. Clay Prod. 6% 1942	..	90
Whalen Pulp 7% deb. 1932	61	64

URGE NATIONAL FORESTRY POLICY TO PROTECT CAPITAL

(Continued from Page 1)

slash and standardized equipment for the detection and suppression of fires.

There must also be cutting regulations adopted that will secure the most favorable conditions for the reproduction and growth of the more valuable species of trees.

Should Encourage Reforestation

The practice of forestry on private lands should be encouraged by the proper adjustment of taxation to meet the special needs of the forest property and by furnishing advice and assistance in the establishment and care of the forests.

Before a proper forestry policy can be put into effect, knowledge as to the true extent and nature of Canada's forests is essential. Present information on the subject is very limited. At the earliest possible date there should be a complete inventory of the forest resources in order that the government and the public at large may be fully informed as to the extent to which these resources have been depleted, and what are the prospects for future supplies. This inventory is necessary also in order that the industries dependent on the forest may be guided in development by a knowledge of the location and extent of both present and future sources of raw materials. In order that the forests may be handled in such a manner as to secure the highest sustained production, there is a great need for a definite knowledge of the silvicultural characteristics and requirements of Canadian forests. This requires research.

Rapidly Being Depleted

The adoption of such a forest policy is felt to be necessary, because, while it is known that the forest resources of Canada are sufficient to maintain the present rate of cut for many years, if all of the timber were exploitable, there is every reason to believe that the forest capital of Canada is being rapidly depleted, and if the increased demand is to be met or even the present output maintained and the forests of Canada be placed on a sound basis of management provision should be made without delay for the securing of sufficient net increment to meet the future requirements. Thus the suggested national forestry policy.

One difficulty to-day is that much of Canada's timber is far from the present mills. The virgin timber in the neighborhood of established properties is becoming depleted, so much so, that in many cases "drives" of two or three years are necessary to get supplies to the pulp mills and saw mills, greatly increasing the cost of woods operations. To an industry entailing large capital expenditure such as the pulp and paper industry, the maintenance of appurtenant supplies is of paramount importance.

Timber Consumed Yearly

Present statistics do not permit an accurate comparison of the annual growth of timber in Canada with the annual utilization of timber. It is known that Canada uses about 2,600,000,000 cubic feet of its timber supplies yearly. Fire destroys annually an additional 800,000,000 cubic feet and during the past few years the spruce bud worm has destroyed an average of 1,345,000,000 cubic feet of timber. The loss due to other fungi is not known but it is evident that the forests of Canada are being depleted at the rate of upwards of 5,500,000,000 cubic feet per annum. The total estimated stand of merchantable timber in Canada is estimated at 246,791,000,000 cubic feet.

The greater part of the saw timber is located in British Columbia but the larger part of the small timber, suitable for pulpwood, railway ties, posts and fuel, is in Eastern Canada.

"RADIO COPS" APPOINTED

OTTAWA.—"Radio Cops" have been appointed by the radio telegraphic branch of the Department of Marine and Fisheries for some 22 districts throughout the Dominion, scattered all the way from North Sydney to Vancouver. It is hoped in the near future to make appointments at Sarnia, Sault Ste. Marie, Regina, Edmonton and Lethbridge.

Organize New Company to Manufacture China

The Bush English China Company, which has recently been granted a Dominion charter, will manufacture china tableware and has made an advantageous arrangement with the town of Port Hope. It has secured under a 99-year lease, land and buildings with wharves and deep water docks, which give access to all points on the Great Lakes and through the canals to the ocean, and with Canadian National and C. P. R. sidings running through the centre of the property. The company has a fixed taxation for a period of ten years and has made the necessary arrangements for power and other facilities.

Canada does not as yet manufacture china tableware. Hitherto all chinaware has been imported, mostly from England.

A group of well-known Canadian business men are associated with important English and American interests in the enterprise. They have made a close study of the situation in Canada and their convictions as to the profitableness of this industry have been confirmed by the leading authorities of the pottery industries of the various countries.

The company has arranged the necessary financing in Canada and its securities will be offered early this fall.

STOCK MOVEMENTS OF THE WEEK

Week Ending August 14

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	—	193	193½	193	193½	27
Dominion	12	188½	187½	189	188½	189	139
Hamilton	12	159	—	160	159	159⅞	42
Hochelaga	10	—	—	149	—	149	189
Imperial	12	178	—	178	177	177	62
Molsons	12	168	—	166	—	166	1
Montreal	12	—	236	235	—	235	82
Nationale	6	—	—	99	—	99	5
Nova Scotia	16	260	258	258½	258¼	258	66
Royal	12	222	221	222	221	221	48
Standard	14	—	175	175	—	175	18
Toronto	12	184	180	185	—	181	54
Union	10	—	118	120	—	119⅝	17
Industrials, Utilities, Etc.—							
Abitibi, com.	4	61⅛	60½	61½	58¾	61½	1430
Amer. Salesbook, com.	4	38½	36	37	36	37	125
Do., pref.	7	92	89	89	—	89	10
Asbestos Corp., com.	6	50	49½	50	—	50	153
Do., pref.	7	74¾	74	74¾	—	74¾	67
Atlantic Sugar, com.	—	—	15¼	15½	15¼	15½	30
Do., pref.	—	40	—	38½	—	38½	5
Barcelona Traction	—	18¾	17¾	18½	18	18¼	95
Bell Telephone	8	122¾	122	122	121	122	196
Bird & Son, pref.	7	—	91	90¾	—	90¾	2
B. C. Fishing	—	16	15	15¾	—	15¾	15
Brazilian Traction	4	44½	44¼	45½	44¼	45	2452
B. E. Steel, com.	—	7½	6¾	7½	7¼	7	102
D., 1st pref.	7	66	64	18	—	—	—
Do., 2nd pref.	—	18¼	17¾	18	17½	18	275
Brompton Pulp	—	39	38½	39	38	39	532
Burt, F. N., com.	10	127	126	126	—	126	100
Do., pref.	7	93	92½	93	—	93	71
Can. Car & Foundry, pref.	—	78¼	75¾	75½	—	75½	286
Canada Cement, com.	6	82	81	82	80	82	280
Do., pref.	7	—	102	103¼	102	102	136
Canada Steamships, com.	—	16	15	15½	14¼	15½	240
Do., pref.	—	47½	47	48⅜	46½	47	221
Can. Converters	7	88	87½	88	—	88	40
Can. Cottons, com.	8	107	105½	106	—	105½	276
Do., pref.	6	—	90	86¼	86	86¼	105
Can. Foundries, com.	—	—	30	25	—	25	10
Can. General Electric, com.	6	101	100	100¾	—	100¾	120
Do., pref.	7	—	107	107	—	107	50
Can. Locomotive, com.	4	—	—	65	—	65	5
Do., pref.	7	95	94½	95	—	95	5
Can. Pacific Railway	10	—	148½	150	148½	150	145
City Dairy, com.	10	150	145	145	—	145	60
Do., pref.	7	104	103	104	102	104	73
Consumers Gas	10	154	157½	157½	—	157½	92
Cuban Can. Sugar, pref.	—	—	—	25	—	25	35
Detroit United Railway	6	—	—	68⅛	67	67⅛	369
Dominion Bridge	4	68	67½	64	—	64	18
Dom. Canners, com.	—	—	28	28¾	—	28½	105
Do., pref.	7	84	—	84	84	84	10
Dominion Glass, com.	7	93	92½	92¾	—	92¾	235
Do., pref.	7	105	104	104	—	104	10
Dominion Iron, pref.	7	—	—	75	—	75	10
Dom. Steel Corp., pref.	6	—	74	75	—	74	89
Dominion Telegraph	6	45	43	44	—	44	20
Dom. Textile, com.	4	64	63½	63½	63	63	338
Do., pref.	7	—	—	112	—	112	10
Goodwins, com.	—	—	—	88	—	—	32
Goodyear Tire, pref.	7	84	83	83	—	83	12
Illinois Traction, com.	—	80	87	52¾	52½	52¾	175
Do., pref.	6	80	87	88	87½	88	54
Kaministiquia Power	8	—	120	120	119	120	30
Laurentide Paper	6	98	97½	98⅞	95	98⅞	3293
Lyall Construction	—	25	21	20½	—	20½	5
Macdonald, A.	—	5½	5	5½	5	5	290
Mackay, com.	7	111½	110¾	110½	—	110½	115
Do., pref.	4	68	67	67½	—	67½	50
Maple Leaf Milling, com.	8	—	70	70	—	70	33
Do., pref.	7	92	86	86	—	86	*64
Montreal Light, Heat, Cons.	6	119½	118¾	118½	117¾	118½	445
Montreal Telegraph	8	52½	52	52	—	52	22
Montreal Tramways	10	144½	142	145	—	143	17
National Breweries, com.	4	49½	48	48½	—	48	265
Ontario Steel Products, com.	4	45	43	43	—	43	20
Ottawa Light, Heat	6	84	—	83½	—	83½	2
Penmans, com.	8	—	141¾	142	—	142	5
Price Bros.	2	43	42¾	43	—	43	50
Quebec Railway	—	18¾	18¼	18	17½	18	600
Riordon, com.	—	2¾	1¾	2¼	—	2¼	305
Rogers, Wm., com.	—	52	50	54	50¼	50	67
Shawinigan Water & Power	7	144	—	116¾	115	116¾	444
Spanish River Pulp, com.	7	87½	86¾	87¾	87⅜	87¾	1053
Do., pref.	7	98¼	97	98	97	98	225
Smith, Howard, Paper, com.	6	72	70	70	—	70	95
Do., pref.	8	—	—	102	—	102	1
Steel of Canada, com.	7	69	68	69	67⅝	68½	580
Do., pref.	7	103¾	99¾	100½	100	100½	50
St. Lawrence Flour, com.	6	56½	50	57	—	57	193
St. Maurice Paper	6	112	111⅞	112	108¾	112	1255
Toronto Railway	—	77	76	77	76¾	77	57
Twin City, com.	6	71	70¾	71	70	71	251
Wayagamack	—	—	—	48	—	48	25
Winnipeg Electric, com.	—	34½	33½	34¼	32	34¼	103
Do., pref.	7	85	84	85	—	85	28
Woods Manufacturing, com.	8	—	—	55	—	55	90
Canada Landed	10	77	—	77¼	—	77	37
Can. Permanent	12	188	187	187	—	187	22

Carload Orders From One Advertisement

One paint and varnish manufacturer (name on request) stated: "We have one account, a carload buyer, who placed his first order with us as a result of one of our ads in HARDWARE AND METAL over 16 years ago and he is one of our best accounts to-day. This one account alone pays us handsomely for our yearly advertising in HARDWARE AND METAL." This advertiser uses from 26 to 52 full pages each year and never misses our Annual Spring and Fall Buying and Directory Numbers issued in March and August.

If interested in the Canadian hardware trade, you will be interested in a booklet entitled "What the Canadian Hardware Trade Has to Say Regarding HARDWARE AND METAL."

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Coal Imports from U. S. Show Material Increase

From Our Own Correspondent

OTTAWA. — During the three months ending June, imports from the United States were about $45,000,000 more than they were for the same period in 1922. Those from the United Kingdom were about $7,500,000 greater. This increase is due to heavier purchases of coal. Last year owing to the strike she could not get it. For the three months ending June this year the imports were 4,695,000 tons, as compared with 1,846,000 during these months last year.

Considerable coal is also coming from the United Kingdom. In April these imports were 29,000 tons, in May 42,500, and in June 79,400 tons. This shows that when it can be got the Pennsylvania article will be most used. As importations so far this year are considerably ahead of those even in 1921, it is quite evident that coal from other sources will meet with strong competition.

PULP AND PAPER SET NEW MARKS GALORE IN 1922

High Record of Tonnage In Both Classes Reached

CAPITAL INVESTED

There Are 104 Mills with Total Capital Investment of $381,000,000 Government Figures Show

From Our Own Correspondent

MONTREAL.—Due to the greatly reduced prices received for the finished product, the value of the production of the pulp and paper industry in Canada in 1922 was still much below the high peak of $236,000,000 touched in 1920. The 1922 production had a value of $155,785,388, only a moderate increase from the 1921 figure of $151,033,165.

The amount of capital invested in the pulp and paper industry is still steadily growing, the preliminary report of the Dominion Bureau of Statistics for 1922 indicates. Last year the figure was $381,006,234, as compared with $379,812,751 in 1921 and during the year four new mills came into operation, including three pulp mills and one pulp and paper mill, which brought the total number of mills in Canada to 104, divided as follows: pulp mills, 43; pulp and paper mills, 28, and paper mills only, 33. This figure of investment may be compared with the 1911 investment in the pulp and paper industry of Canada of $53,696,933.

New Records Established

Produetion of both pulp and paper broke all previous records in 1922, exceeding the high previous record of 1920 and going well above the 1921 figure. The increase in pulp production in 1922 over 1921 was 38 per cent. and in paper production 34 per cent. The increase in production was due largely to an increase of over one-third in the production of newsprint paper.

The quantity of pulp produced in Canada in 1922 totalled 2,150,251 tons, valued at $84,947,598. This broke all records as to quantity, though not as to value. The figures of production for six years past are shown here:

	Quantity Tons	Value
1917	1,464,308	....
1918	1,557,193	....
1919	1,716,089	....
1920	1,960,102	....
1921	1,549,082	$78,338,278
1922	2,150,251	84,947,598

Paper Also New Record

The quantity of paper of all kinds produced in Canada in 1922 totalled 1,366,815 tons, also a new high record. The comparative figures for six years past are shown in this tabulation:

	Quantity Tons	Value
1917	853,689	....
1918	967,724	....
1919	1,090,235	....
1920	1,214,951	....
1921	1,020,000	$108,676,952
1922	1,366,815	107,085,766

In connection with the proposed embargo on pulpwood exports it is valuable to observe that a larger percentage of Canadian pulpwood was made into the finished product in Canada in 1922 than in 1921. The total cut of pulpwood in Canada in 1922 was 3,923,940 cords, valued at $50,785,361, and of this total 74.2 per cent. was used in Canadian pulp mills, the remaining 25.8 per cent., or 1,011,332 cords being exported unmanufactured to the United States. In 1921 the total cut was 3,273,131 cords, of which 67 per cent. was consumed in Canada and 33 per cent. exported.

The production of the various kinds of pulp and paper in Canada in 1922 was as follows:

	Production Tons
Wood Pulp—	
Mechanical	1,241,185
Sulphite Blchd.	146,690
Sulphite, Unblchd.	532,186
Sulphate	217,862
Other Pulp	12,326
Total value	$84,947,598
Paper—	
Newsprint	1,081,364
Book and Writing	64,808
Wrapping	81,793
Boards	113,200
Other Paper	25,650
Total Value	$106,260,078

Mackenzie Fisheries Have Made Assignment

The Mackenzie Basin Fisheries, Ltd., of Calgary, assigned under the Bankruptcy Act on July 24, to J. A. McKinnon, Edmonton.

Originally incorporated under Alberta laws in 1919, with an authorized capital of $100,000, the capital was later increased to $200,000 under a Dominion charter with 1,850 shares of preferred stock of $100 and 1,500 shares of common stock of $10. The original company took over the business and assets of the R. W. Jones Fish Co., of Swan River, Alta., at a valuation of $29,000, of which $5,000 was to be paid in cash, $15,000 in common stock and $9,000 in 8 per cent. cumulative preferred stock. A cannery and saw mill were installed at Lake Athabasca. Subsequent to the incorporation of the Dominion company the authorized capital was increased to $300,000. Since then efforts to secure capital by the sale of bonds and stock have met with indifferent success.

United States Shipping Board has sold its tank ships, with the exception of fifteen reserved for government service. The sale of 41 tankers was effected at an average price of $47 per ton.

$150,000 New Capital For Brewing Company

From Our Own Correspondent

MONTREAL.—New capital is being put into the Silver Spring Brewery Company, of Sherbrooke, and three local houses are offering an issue of $150,000 of first mortgage 7 per cent. 20 year bonds. The houses offering the issue are the Sterling Bond Corporation, Frank Thompson and Company and the St. Francis Bond Company. The bonds are a first mortgage on plant and equipment estimated to have a value of $301,941. A bonus of common stock is being given.

The company operates the only brewery in the Eastern Townships and has been established for more than twenty years.

BLUE SKY CASE TO GO TO HIGHER COURT

Dominion Supreme Court to Decide Status of Saskatchewan Securities Measure

From Our Own Correspondent

REGINA.—The recent decision holding the Saskatchewan Blue Sky Law to be ultra-vires will be appealed to the Dominion Supreme Court. The case is that of the Ruthenian Farmers' Elevator Company against Lukey. The Saskatchewan Court of Appeal held certain clauses of the Saskatchewan Sale of Shares Act invalid, and so special leave to appeal has been granted. The provincial attorney-general's department is concerned in the appeal.

Litigation commenced when the elevator company in question sought to collect on two $100 notes which Lukey had given them in return for two shares of stock. The district court judge ordered payment, whereupon Lukey carried the case to the appeal court on the grounds that the company, while operating under a Dominion charter, had not secured permission of the Local Government Board to sell stock in Saskatchewan.

The appeal was given the support of the provincial attorney-general's department because the soundness of a provincial statute was at stake. The appeal court held that over-ruling of a Dominion statute by a provincial ordinance was an infraction of federal powers as outlined in the British North America Act.

AIM IS TO AVOID DOUBLE TAXATION

Federation of British Industries Make Suggestions Regarding Taxes

From Our Own Correspondent

MONTREAL.—Questions of double taxation within the Empire have been taken up by the Federation of British Industries and suggestions are made that reciprocal arrangements should be made between Canada, Australia and other dominions and Great Britain looking to further relief from the difficulty. The federation says:

"It must inevitably occur from time to time that there will be a surplus of capital in one part of the empire and an outlet for that surplus in some other part. The taxation of the income arising from this capital both in the place of employment and of origin is an evil which the recent arrangements for avoiding this double taxation have done much to alleviate. It is strongly urged that those dominions which have not already done so should take advantage of these arrangements by making reciprocal agreements in regard to double income tax.

"It is also desired to draw attention to the fact that these arrangements do not entirely remove the evil. It frequently happens that the capital requisite for some enterprise in one of the dominions can only be found in part locally and for the remainder recourse is had to the London market. Subscribers in the London market usually prefer to have the registered office of the company situated in England owing to the superior facilities for dealing in the shares thus obtainable and for other reasons. This subjects the company to British taxation. Here the weakness of the present arrangements for dealing with double income tax appears.

Broadly speaking the effect of a reciprocal agreement with regard to double income tax is that the total tax payable is at the higher of the two rates of tax in force in the Mother Country and in the Dominion. It is usually the case that the United Kingdom rate of tax is higher and the company is therefore called on to pay tax on all its profits at a rate higher than the dominion rate. This applies both to profits distributed to shareholders in the dominion and to any reserves which the company may make and which may never have been transmitted to the United Kingdom. It is suggested that it would prove an incentive to the development of such enterprises if any reserves not actually transmitted to the United Kingdom were taxed at a total rate not exceeding the dominion rate of tax.

"There is evidence also that the dominion shareholder of such companies considers that he does not get such favorable treatment as the British shareholder in the matter of personal allowances. Such a shareholder is entitled to claim from the British revenue authorities the same proportion of the reliefs allowed to a resident in this country as the proportion of his income from British sources bears to his total income. Thus if his total income is £1,000 of which £250 come say from shares in British companies he can claim one quarter of the usual allowances—personal, marriage, children, etc. This is, however, qualified in a very few cases by the fact that the income in respect of which the claim is made has only borne British tax at the reduced rate and naturally the British revenue authorities cannot remit on any income more tax than they have received on it. It is probably owing to the shareholder's ignorance of what he may claim both from the British revenue authorities and from his own revenue authorities that these complaints have arisen, since the method of claiming relief is extremely complicated, and might with advantage be simplified and brought to the notice of all concerned."

HOME ALLOTMENT PLAN WILL SOLVE LABOR PROBLEMS

Small, Irrigated Farms for People of Small Means

From Our Own Correspondent.

LETHBRIDGE.—With the introduction of what is called "The Farm Workers' Home Allotment," the Alberta Irrigation Council has taken a step that promises to solve the problem of farm labor, at least so far as irrigated lands are concerned.

The plan contemplates the sale of five to ten acre parcels of land to men of limited means. It has already been demonstrated that an area of this size can support a cow, a few pigs, some poultry, grow sufficient fodder for feed and provide space for a good sized garden where vegetables and small fruits of various kinds can be raised. Not only should there be sufficient for home consumption, but a considerable surplus for sale.

The best feature of this Home Allotment Plan, however, is that it will bring to agriculture many families whose present means will not finance an ordinary farm. To such people, five acres will provide a comfortable home and a good living, while at the same time enabling the man of the house to supplement his revenue by working out on larger farms in the neighborhood. As he prospers, he may be expected to take up larger holdings of his own, and in the interval he will have obtained a good education in farm methods.

It is fully recognized that the success of this scheme depends upon placing men within easy reach of outside employment and in distributing the allotments over the entire district on the basis of not more than one to a section of land until settlement is thicker.

The Lethbridge northern district, around which the plan is being developed, lends itself admirably to the idea. This district has already been farmed for years as a dry-farming proposition and is only now coming under irrigation. As a consequence, it is already fairly well settled, has good roads, schools, is cut with three lines of railway, and has a number of small towns and villages. The problem that is being faced is one of cutting down the large individual holdings to units more adaptable to irrigation—80 acres to 160 acres.

That the Workers' Allotment plan will be very popular with Old Country people is already being attested by the large number of inquiries to advertising.

In addition to advertising the allotment plan, a general educational campaign of publicity is being carried on for irrigation, and interest in this type of farming is growing steadily.

POWER DEVELOPMENT IN NEWFOUNDLAND

British Capital Supplied and British Firms Get Orders for Equipment

From Our Own Correspondent

ST. JOHN.—An interesting account of conditions in Newfoundland and particularly those in connection with the development of the great Humber River Pulp and paper proposition was obtained by the Telegraph-Journal from W. J. Hill, manager of the Canadian Fairbanks-Morse, Ltd., who returned a few days ago from the ancient colony.

Mr. Hill said that some 2,000 men were already at work at Humber River doing the preliminary construction work for the $16,000,000 development, undertaken by the big English firm, Armstrong-Whitworth, Ltd. The British Government has guaranteed $8,000,000 worth of the bonds for this enterprise and the remaining $8,000,000 is guaranteed by the Newfoundland Government. A water power development of 185,000 h.p. is being undertaken at Grand Lake, with a potential development of 235,000 h.p. at the phenomenally low cost of $60 a h.p., which means, on a twenty per cent. load factor, $12 per h.p. In fact, he said, it was planned to use electricity for practically all purposes, heating, cooking, lighting, as well as power purposes, so low was the cost.

Grand Lake, he explained, provided an immense reservoir and a canal nine miles long is being dug across country from Grand Lake to the power house, which is to be stationed at the head of Deer Lake. The power is to be carried by transmission wires down to Cornbrook, a distance of thirty miles, where the mills are to be located.

While the construction companies already employed on the job are all Canadian firms, it is impossible, he said, for either Canadian or American firms to obtain contracts for the supply of electrical or other equipment as English firms are engaged in practically every instance, probably because the British Government is guaranteeing half the issue of bonds. The Northern Construction Company, of Winnipeg, has the contract for the canal; William I. Bish, of Montreal, the dam, and Fraser, Brace & Co., of Montreal, the contract for the power house. It is understood that all other contracts have been secured by English firms.

Mr. Hill said that there were 6,000,000 cords of wood already available without any haulage to float down to the mill and about 20,000,000 cords on the adjacent properties.

The Toronto General Trusts Corporation has been appointed to act as trustee for bondholders of the Northern Canada Power Company. Bonds outstanding approximate $7,500,000.

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IMPROVED PROCESS

Other Plans of Becker Group of Companies Include New Sulphite Pulp and Newsprint Mills

From Our Own Correspondent

MONTREAL.—After discussing his plans with industrial, railway and banking heads in Canada, Sir Frederick Becker, the British paper manufacturer, who is now in Canada, is convinced that an opportunity exists for the manufacture of paper from straw in this country. Providing the necessary encouragement can be received from railways and other organizations in the matter of transportation, etc., it is likely that a mill to manufacture high-grade paper from straw will be in operation somewhere in Western Canada before the 1924 crop is ready for harvest. The plans of Sir Frederick Becker call for the establishment of the mill at some convenient central point. This has not been chosen, but it is possible that a paper mill may be established first at Winnipeg and perhaps a second mill somewhere in Saskatchewan.

Sir Frederick told THE FINANCIAL POST this week that the application of the system of making paper from straw is the real reason for his present visit to Canada and that he is not here to experiment but to apply knowledge that has been worked out in experiment and practised on in Europe. The manufacture of paper from straw is not a new process but if the past has not always been successful. The new process, recently worked out, makes paper making from straw thoroughly practical, according to Sir Frederick, and produces a high-grade of paper.

Retains Strong Fibres

The pulp manufactured from the straw is mixed with bleached sulphite to make grades of paper similar to that used in business offices. The difficulty in the past of getting long enough and strong fibres from the straw is solved under the new process by using weaker alkaline solutions for turning the straw into pulp.

Sir Frederick does not plan a visit to Western Canada at the present time, although one of the continental paper experts who is also looking into the question of making paper from straw is going to visit Canada soon and will make a study of conditions in the West with this end in view.

Sir Frederick's Other Plans

The Becker interests in pulp and paper in Canada are extensive and include strong holdings in and connections with the Chicoutimi Pulp Company, the largest groundwood mill in Canada; the Bay Sulphite Company, which includes the former St. Lawrence Pulp and Lumber Company; the Chicoutimi Freehold Estates, which owns large timber limits in Quebec, not now being developed; the Clyde and Sissiboo Pulp Company in Nova Scotia; the Roberval and Saguenay Railway and the power development at Chicoutimi. Changes in the output of some of these companies are being discussed during Sir Frederick's visit, it is learned. The plans for the new newsprint mill of the Chicoutimi Company, which is likely to be located at Jonquier, rather than at Chicoutimi, are being gone into. This mill, if established, would turn out paper for the American and Canadian markets as it is not now possible for Canadian newsprint paper to compete in the British market.

It is also possible that the capacity of the Bay Sulphite Company, which produces sulphite paper exclusively, may be doubled, and construction to this end may get under way next summer. Such expansion would likely require additional financing. Provision has been made for this in the trust deed under the present bond issue, $3,000,000 of which was placed this spring. Very strict terms exist in the bond issue regarding earnings, working capital position, etc., that must be met before any additional bonds can be issued under the mortgage, but THE FINANCIAL POST is informed that the company's financial position is such that the conditions required before further bonds can be issued already exist.

No further word has come regarding the railway line planned by the Becker companies to tap their pulpwood limits on the Peribonka River, and which was being discussed with the federal and provincial officials by G. R. Hall Caine, a partner of Sir Frederick's, who was recently in Canada. Mr. Hall Caine has returned to England.

COOLIDGE THE SILENT

When Coolidge was chairman of a legislative committee a corporation lawyer spoke for two hours before him and paused with a hope that before proceeding he should hear something from the chairman. Mr. Coolidge arose, walked around the table in deep thought, glanced out of the window, reseated himself at the head of the table and said: "Proceed." That lawyer was later heard to remark: "That man Coolidge can keep silent in more languages than any man I ever listened to."

CANOE COMPANIES MERGE

FREDERICTON, N.B.—Consummation of a merger of the two largest canoe manufacturing plants in Canada has been announced. The new company, Canadian Watercraft Company, Ltd., with a capitalization of $1,000,000 takes in the Chestnut Canoe Co. and the Peterboro Canoe Co.

Workers' Yearly Contract As Bar Against Unemployment

Paternalism in a New Phase as Introduced by Large Soap Concern—Changed Whole Selling Scheme to Put it in Force

The Procter & Gamble Soap Company, of Cincinnati, which has factories in Toronto and Montreal, has taken the initiative in employing its workers by the year, making a bold attack on the uncertain tenure of jobs and the industrial and social ills coming from it. One lesson already has come out of the experiment: the problem is one of stabilization of buying—regular buying in place of irregular buying—and the corrective plan reaches through the middleman to the consumer.

The Procter Gamble Company employs some 5,500 employees, and the president has signed a guarantee of at least 48 weeks of work for them through the year, whether the business cycle is good or bad, whether orders are booked ahead or the company has to go out and seek them.

Colonel Procter was interviewed as to the details of his plan, and said: "There are four or five things that every worker wants. These are, first, good conditions of employment; second, reasonable work; third, to prosper as the industry prospers and to have some provision for old age; fourth, some voice in the conduct of affairs in which he is directly interested; fifth, security of employment. So far we have given our employees the first four requests, and the fifth can now be granted.

Employment Fluctuations

"Experts have made our conditions of employment as agreeable as any employee could wish. That our work is not burdensome was made evident during the business crisis of two years ago. The employees, through their elected representatives, came to us and asked that their eight-hour day be stretched to nine hours.

"We have inaugurated a profit-sharing plan under which employees whose wages are less than $2,000 a year are entitled to purchase stock of the company on a partial payment basis, in an amount equal to their yearly wage. The employee pays for this stock at the rate of 5 per cent. per year. Profit-sharing dividends are paid to the employee while he is paying for the stock. These dividends range from 10 to 20 per cent. of the employee's monthly wages, according to the length of his connection with the firm.

"We provide pensions for employees, annuities that give incomes up to $1,800 a year. For this, a fund is provided, to which the employees contribute $8 and the company $16 for each $1,000 of the aggregate annual wages. Death benefits equal to a workman's wages, not to exceed $2,400, are paid out of the same fund.

"In previous years I had been able to realize four-fifths of these privileges, but the fifth and last remained unsettled. Could not the uncertainty of employment be lessened, so that our workers might enjoy to the full extent the privileges already given? The only way I saw to do this was to stabilize the selling end of the business so as to regulate production. Hitherto the practice among jobbers and retailers has been to buy large stocks of soap at certain periods of the year and refuse to buy it at others. This, of course, resulted in peaks and valleys of employment. At one time we had more than enough work, at another time more than enough employees. Yet when the totals fixed themselves at the end of each year's balance sheet we saw, allowing for a certain percentage of expansion, that consumption varied very little from year to year.

"Two years ago, then, we began to put into practice our theory of equalizing production. We worked to wipe out spasmodic buying. We started to provide ourselves with storage capacities to digest over-production. Then, discouraging jobbers, we gradually made our selling direct, leaving out the jobber middleman. We came finally to the point where we were able to say to our retail customers, 'You may buy as much as you wish, but we will not deliver it at once. We will hold it for your credit at the price prevailing at the time you ordered it and deliver it in instalments proportional to your needs.'

Plan Already in Operation

"When we took this final step we reached the place where we could begin to make our production balance itself throughout the year. For the last two years this balance has prevailed. Never a week has passed in which all the employees were not working. So to-day there will be no radical change in the company's affairs. All that is done is to guarantee employees what they have been receiving for the last two years.

"In brief, our plan is this: The company guarantees full pay for full-time work for not less than forty-eight weeks in each calendar year, less only time lost by extreme emergencies such as fire, flood, or strikes, subject to the following: The company reserves the right to transfer an employee to any other work, but at his regular rate per hour. The company reserves the right to discharge any employee at any time for any cause, and to terminate or modify this agreement in any way after giving six months' notice to that effect. The guarantee is limited to those participating in the company's profit-sharing plan, who, however, compose most of our working personnel."

Mr. Procter claims that the company has a two-fold benefit from the scheme: schedule of production, and regular operation. Further, the labor turnover is only half that of industrial plants generally, while experts claim a ten per cent. greater efficiency on the part of old employees as against new employees. He recommends other large industries to take up the plan, instancing coal mining, as, by using the Procter system of selling, the mines may give their miners work the year round. He believes the plan will lessen industrial unrest by relieving the minds of the working class of the uncertainty of employment, and says that it is worth thought and initiative by industrial leaders to bring about this condition.

Big Things Promised For "Power" Shareholders

From Our Own Correspondent

MONTREAL.—Meetings have been held during the past week of the Montreal Tramways and Power Company, but they were unimportant affairs, chiefly fighting out the question of the membership of the committee that will investigate the affairs of the company on behalf of the shareholders. George Gonthier was appointed to succeed George Branchaud on the committee. The date of the annual meeting was fixed for December 20 next.

At one of the meetings Senator George Foster gave some hints of fine things to come for the shareholders. "We are just on the eve of big things happening that will be of great advantage to your company," he said.

A Canadian Economist in England

(Continued from Page 1)

fully as we might have done to the vindication of our financial good name overseas.

The Bank Rate

The raising of the Bank Rate to 4 per cent. provoked a good deal of criticism, as you must already know. It is notorious that the relations of the Bank and the Treasury are as intimate as ever. The chief immediate consideration seems to have been the heavy out-of-season withdrawal of funds to New York in consequence of the heavy failures there (to which has, of course, now been added the seasonal withdrawal for the harvest). The Treasury seems to have been on the horns of a dilemma. Should the withdrawals continue, the pound must go on falling, and the payment of the next instalments on the debt must be more and more costly; on the other hand, a low Bank Rate, if not good for sterling exchange, did permit the selling of Treasury Bills at a low discount. Any raising of the Bank Rate must lose on the swings much of what it made on the roundabouts by putting up the market against Treasury Bills at the same time that it checked the fall of sterling in New York. Anyway, that part of the public which is not directly interested in the exchanges, or does not see the connection of them with the Bank Rate, was wrathy when 4 per cent. was announced.

As a result of these withdrawals and of the higher rate of discount, money is certainly scarce in London at the time of writing, and in a few weeks, as harvesting begins in Britain, it will, of course, be scarcer still for a time.

Meanwhile, I was interested to hear two lectures by Professor Gustav Cassel, of Sweden, whose theories took up so much of the time of the Brussels Conference. He spoke (before the raising of the Bank Rate) at the London School of Economics. On the first of these occasions, the Swedish ambassador to London took the chair and was very complimentary to Cassel, mentioning that in matters of finance the Swedish Government seldom took any serious step without first consulting him. Walter Seaf, the banker, took the chair at the second lecture, and was equally complimentary. Cassel strongly made the point that, given the financial policy which America has adopted since 1921, the British bank rate has been consistently too low, and that it will be the part of wisdom for a considerable time to come to keep it stiffer.

Depression Anticipated

It seems to be agreed on all hands that England is in for a spell of renewed trade depression. I have been unable to find a single dissenting voice, and the latest unemployment figures show a turn for the worse, though not a large one. The whole world knows the straits to which the Lancashire cotton-spinning industry is at present reduced, but industries in general are increasingly pessimistic.

An immediate influence is obviously the financial developments to which I have referred. But it is the European and Eastern situation which causes the most concern.

The long delay in settling matters between Turk and Greek has left the Near Eastern markets for British goods absolutely down and out. The most direct reaction of this is, of course, on the trade of Lancashire.

The Far Eastern markets are in little better case, so one hears, and it is alleged that their powerlessness to absorb British goods is due to their failure to sell tropical products in Central Europe, which brings us back, as all discussions nowadays bring us back, to the Ruhr.

The Ruhr Puzzle

British business in general seems to look on the Ruhr occupation as a disaster for British industry (which must react severely on Canada and all other countries which find in Britain a good customer). That feeling is forcibly voiced by Sir Eric Geddes, who having said in 1918 that he "wanted to squeeze Germany till we can hear the pips squeak," now finds that the squeezing process is very bad for the big north of England interests with which he is identified.

The Rothermere Press (Daily Mail, Daily Mirror, etc.) still pooh-poohs this view, and can find experts ready to rush into print to controvert Sir Eric Geddes. In particular, Harold Cox, the ex-Liberal M.P., and secretary to the Cobden Club, who now edits the Edinburgh Review, stoutly maintains (and quotes from the trade returns at great length to prove) that the Ruhr occupation has not, on balance, harmed British trade, but if anything has slightly helped it.

Reading between the lines, I fancy the truth is something like this:

The paralysis in the Ruhr has led unoccupied Germany to get some things, particularly coal, from England, which she could otherwise have secured in the Ruhr itself. So far as it goes, this has directly stimulated British exports.

On the other hand, Belgium, Sweden, Switzerland, Italy are all of them hit with increasing force by the occupation, to which Belgium may now feel that she committed herself rather prematurely. That means that the countries surrounding Germany can only purchase British and overseas goods in diminishing quantities as time passes, and is a big influence probably more than offsetting the direct gain already mentioned, quite apart from the less direct reactions of the German debacle on the big eastern markets.

Moreover, every time France confiscates a few billion marks in some German bank and throws them onto the demoralized foreign exchanges, Germany's power of buying from England, and the power of the surrounding countries also, must be contracted by the further fall in the mark.

The whole situation is exceedingly puzzling, and in the House of Commons the other day, Sir Alfred Mond, who speaks with authority, said that he could not finally make up his mind how far the Ruhr occupation was directly contributing to the trade depression, whose coming he was inclined to expect.

Political Divisions

All of this produces some interesting political reactions in England. To judge by the Press, the country is still divided pretty badly in its attitude to the controversy with France, though the chief friends of France are all of them, or almost all, to be found on Lord Rothermere's payroll. Moreover, it is quite clear that Mr. Baldwin's attitude, while generally welcomed by the various oppositions in the House of Commons, was endorsed by not nearly the whole of his own party. The back-bench Conservatives still retain a good deal of the war mind, and only restrain their enthusiasm for France with a good deal of difficulty.

However, the Conservative Party is no longer predominantly an Agrarian party. It depends more and more, now that Labour is the official opposition, on the big industrial interests, and as those industrial interests—vide Sir Eric Geddes and others—are growing more and more convinced that the Ruhr spells disaster for them, I fancy the back-bench Conservative will find himself under fire now that Parliament is adjourning, and he is off to face his constituents in the recess.

I write a few hours before the Parliamentary debate on the French note, which may reveal much that is now speculation. But that is how I see things. If the discussion with France is to be brought into the open I fancy England will rally pretty solidly against the French belief in blood and iron. The ordinary Englishman has no more use for militarism west of the Rhine than east of it.

The Attitude of Labor

A word on the Labor politicians. I was an interested listener at the annual congress of the Labor Party in London, when some two thousand delegates and all the members of Parliament and candidates were assembled.

A thing that impressed me very much was the familiarity with Parliamentary procedure, and readiness to fit in with it, which was so evident. The strength of the Labor politicians lies in their long training on local government bodies, so that they come to the House of Commons already disciplined and armed with just the sort of experience which most Labor representatives in Canada so conspicuously lack. Another obvious feature of the gathering was the large proportion of educated middle and upper class delegates, who were quite at home with the men from manual occupations.

Sidney Webb, the chairman, did not appear to dominate the assembly always; he is pleasant and benign but academic. On the other hand, his right and left flank men, Arthur Henderson and Ramsay Macdonald, were listened to with respect whenever they rose to their feet.

The headquarters staff work of the Labor Party, which I also had an opportunity of seeing, is immensely keen and able.

There was a small and noisy Red minority, which obviously looked on Moscow with approval and affection, and it lost no opportunity of chipping in, but it was equally obvious that the enormous majority of the party had completely made up its mind to down this element. The consciousness of the Labor leaders that they may have, in their own lifetime, actually to undertake the responsibilities of government, makes them obviously anxious not to commit themselves to any vote-catching stunts which may be practically dangerous, and that is a most cheerful sign.

The only two dangerous articles of faith on which they seemed united were disarmament and the capital levy. The former is a thorny topic and what they would do in practice God only knows. Probably, like the Liberals after 1906, they would be compelled by circumstances to maintain an increasingly efficient military organization. Few Labor men dissent from the capital levy, but I have gained the impression that belief in it is steadily waning in the country, and that, if ever it was practical politics, it is so no longer.

BUSINESS MEN IN MARITIMES SEEK END OF STRIKES

(Continued from Page 1)

ning to end from the vantage point of the actual strike area, and he is seriously enough in his intentions. But he is nevertheless unbalanced in action and when he is carried away by enthusiasm he is apt to say and do unwise and extreme things. In this respect McLachlan is not much different from the ordinary iconoclast or active socialist, who may in all sincerity be led away by influences that appeal to that sincerity too easily.

Absentee Management

With McLachlan still strong among the men and working conditions practically unchanged by the strike, there seems to be ample grounds for the Maritime belief that further troubles cannot be averted without drastic changes in the operating conditions.

Some people in Halifax and Sydney are inclined to blame "absentee management" for the trouble. The management of the company should be transferred from "St. James Street" to Sydney, is the way it has been put. While there is an operating management at Sydney, it is felt that there is no close contact between the workmen and the men who control the affairs of the company.

Other observers here are ready to say that the grievances can never be settled so long as the British Empire Steel Corporation is in the hands of the present high executives. This may be a local reflection of articles appearing in a Montreal newspaper, demanding the retirement of Roy Wolvin as president, and with him the exit of others of the directors who are closely associated with the president in policies and financial control. But nevertheless, many people in Sydney and Halifax subscribe to the thought. Along the same line there is expressed at times the feeling that some of the difficulties go right back to the relationships between the various companies that are units in the big steel merger. The coal mines are carrying the steel plants and the Halifax Shipyards, says one man, and in this lack of balance in earning power is the seat of the trouble, in his opinion.

Strike Bad for Business

The strike is recognized as having been bad for business in the Maritimes as well as being a most unsatisfactory episode from a humanitarian standpoint. An end of such strikes is sought and hence the appeal of Maritime business, now becoming articulate, that the heads of the British Empire Steel Corporation should survey their plants and mines to the end of correcting every source of future trouble. This may involve a broader attitude on questions of hours and labor, of wages, of improving community life and considering the needs of the steel workers and miners as human beings.

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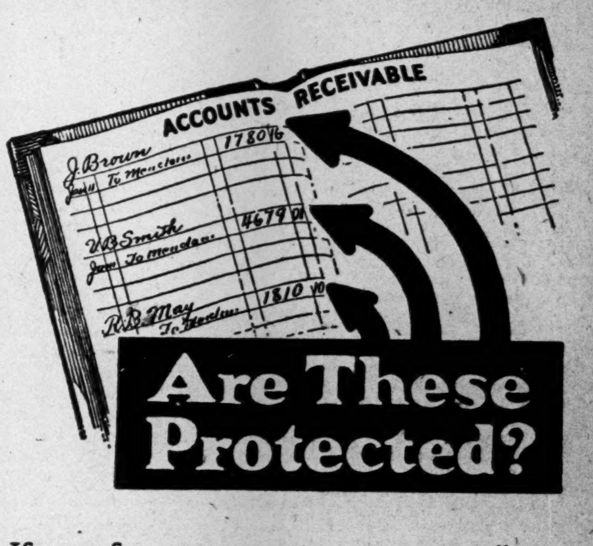

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MINING NEWS FOR THE INVESTOR

NOTHING TO WORRY ABOUT IF HOLLY'S MILLHEADS DOWN

Increase in Tonnage is to Allow for Handling Lower Grade Ores

The question is being raised by a Toronto writer who recently visited the North as to whether or not Hollinger will be able to mine ore enough to keep a mill of 7,500 tons capacity going. He also understood that Hollinger millheads were down to $7.10 to $7.60 and quoted some person as saying that they would not be surprised if the millheads dropped to $6. It was stated that this was causing worry to the operators. He goes on to say:

"If Hollinger's millheads are dropping to say $7.50 a ton, and this information comes from mighty good source, the chances are that it means that present operating capacity is already catching up on development work and that the mine is having to crowd a lot of low grade ore through its mill to maintain even its 4,400 ton average. This may be even more significant than appears at first sight, for while the last recorded average value of ore blocked out was $9.39, the question of its composition arises. If the average was reached as the mean between say $11 and $8 ore, well and good; if on the other hand, it was the mean between a small tonnage of ore running say $17 or better, and a large tonnage of ore grading from $4 to $5 a ton, the situation is vastly different and much more serious. Anyway it seems apparent from the present average that Hollinger is biting deep into its reserves to maintain its present average and that unless development work is increased rapidly, these storage stopes and bins cannot last for ever."

This is only a viewpoint and not a correct one.

In the first place the dropping of millheads is just what happens every mine when the tonnage soars. One of the main ideas behind a heavy daily tonnage is the handling of low-grade ores which with a small tonnage and the usual mining costs could not be handled profitably. Shareholders of the Hollinger should not be concerned about this situation. Rather they should take the opposite view. Also they may go lower. Hollinger's earnings are bound to grow apace and to be prolonged. The writer recently spent a half day rambling through the underground workings of the mine. They were then mining just as much high grade as they ever did and breaking it down rapidly. It is true that the breaking of ore will have to be speeded up considerably before there will be 7,500 tons available daily, but the time when this tonnage will be required is a long way off. This increase is not to be made in one jump. It will be worked up to gradually. Besides, as the tonnage increases, costs are going to drop. True, development charges will likely be higher for a time as this work speeds up and new ground is entered. However, this will not cost any more because it is rushed than if it was carried on over a longer period. Then, again, while it is charged against the present earnings it might easily be scattered over a period of years.

Hollinger is now down to the 1,700-ft. level and has mined but little below the 900-ft. level. It has still tremendous resources above that level that are yet to be mined, while the annual report shows the existence of many excellent ore bodies, veins that are really small mines in themselves, that are yet to be mined.

One outstanding point in regard to the Hollinger's increased tonnage is that it is going to produce a mining wealth that would not otherwise be realized. The big tonnage with low millheads will mean that large tonnages of low-grade ore that would otherwise be passed up, or would go to the dump if mined at all, can now be profitably handled. The province and the Dominion resources will receive this added wealth. This also means more employees, more men and a general spreading out in the business which Hollinger will create.

Duthie Mine in B. C. Has Changed Hands

VANCOUVER.—The Federal Mining & Smelting Company, a subsidiary of the American Smelting & Refining Company, has purchased control of the Duthie mine on Hudson's Bay Mountain, near Smithers, on the C. N. R. (Grand Trunk Pacific) line, from J. H. Duthie, of Seattle, according to H. A. Guess, vice-president and managing director of the American Smelting & Refining Company. The ore will be shipped through Prince Rupert to the company's smelter in Shelby, Cal.

TECK-HUGHES

Teck-Hughes has been the feature of the mining market during the past week or so and incidentally it has been a disappointment to many. Heavy selling of the stock from New York is said to have caused the break in the price. Many reasons are attributed to the selling, but the best one encountered is that it may be a long time before earnings will be such, after taking care of the development program, to consider dividends. When it is recalled that a new shaft is to be sunk and other extensive development plans carried out, it is not hard to see how the earnings for the next year or so may be appropriated.

VIPOND

It is generally believed that Moysey & Co., which has an option on a large block of Vipond shares at 40 cents, will take up the stock now selling well above 60 cents. This will place about $200,000 in the treasury and will finance the mill changes and operations on the mine until it gets on a self-sustaining basis.

Survey Railway to Lorrain Silver Camp

The taking of surveys to decide the route which the Nipissing Central will take from Cobalt to South Lorraine have been recommended by A. A. Cole, mining engineer of the T. and N. O. railway commission, according to the Northern Miner. Some time ago THE FINANCIAL POST announced that such a line would be built in the not distant future, mining people in the North stating that they had received such a promise from Premier G. H. Ferguson.

The rapid development of the South Lorraine camp and the promising outlook for the area in Gillies limit, between Cobalt and Lorraine would lead to the conclusion that it will not be long before a start on such a line will be made.

Visit of U. S. Mining Engineers Next Week is Very Significant

Next week the American Institute of Mining and Metallurgy will visit Ontario and Quebec. They will start from Toronto after spending Monday here, and go to Sudbury. Thos. W. Gibson, deputy minister of mines, is the Toronto chairman and has arranged a good program. Tuesday will be spent at Sudbury nickel mines, Wednesday and Thursday at Cobalt and South Lorraine, Friday at Kirkland Lake, Saturday a.m. at Abitibi Paper Plant at Iroquois Falls, and Saturday afternoon and Sunday at Porcupine. They will leave Monday for Quebec, via Cochrane, Tuesday will be spent in Quebec, and Wednesday at Thetford Mines. The sessions of the Institute will conclude in Montreal on Thursday, with technical sessions in the assembly rooms of the Mount Royal Hotel in the afternoon and a banquet in the evening.

The various mining institute branches have arranged excellent programs at each camp so as to give the visiting engineers the best possible information about the various camps.

At the technical session of the meeting, prominent engineers from many sections of the country will describe the developing problems of mining and metallurgy. Petroleum and gas will be among the principal general subjects under discussion.

In view of the growing interest of U. S. investors in Northern Ontario mining, the visit of the institute, which includes in its membership the cream of the mining engineers of the U. S., the men who advise the investors, one can appreciate the significance of their visit.

NIGHT HAWK MINE HAS POWER SUPPLY

This Concern Expected to be Producing Before End of Year

Night Hawk Peninsula mine at Night Hawk Lake has received power this week and from now on should develop rapidly. An interesting review of the mine was recently prepared for their clients, Kiety and Smith. They say that the company owns and controls under optional agreements to purchase, about 1,300 acres of mining lands in the Porcupine district, through which there is traced for a distance of about two miles within the company's boundary a strong vein system. The letter proceeds:

A shaft has been carried to a depth of 500 feet with a considerable amount of development work accomplished and being carried on at the 300, 425, and 500-foot levels. Ore bodies on the 300-foot level show widths of 8 to 9 feet, averaging $6.00 to $11.50 per ton respectively. On the 425-foot level the average grade of ore has increased from $6.00 to $8.00 per ton and from $11.50 to $13.50 per ton. Stopes are being worked on the 300-foot level preparing for production when mill is ready. On a conservative basis it is estimated the blocked out ore has a value of upwards of $4,000,000, and that the ore reserves on the present scale of operations should be added to at the rate of about $500,000 per month. Some months ago the company purchased the Schumacher mill at Porcupine and this is being assembled at the property. The mill is a 200-ton one, and milling operations are expected to commence not later than the first of November.

Dealing with the management, Kiety and Smith state:

"A. R. Globe, for some time on the engineering staff of the Hollinger property, is manager of the property and is recognized as a very efficient and capable mining engineer. The company is well financed to meet all contingencies. The strong financial position of the company, the fact that the mine is within two or three months of being on a substantial producing basis, and the excellent future possibilities, leads us to consider this issue an absolutely safe purchase and one from which substantial profits should be derived in the near future.

Will Development Join Up Two Silver Camps?

Considerable significance is attached to the taking over of a group of 13 claims in Gillies Limit, a few miles south of the East Coleman area of the Cobalt camp.

So far, nothing spectacular has been opened up in the limit, but there are many who believe that the excellent ore bodies found on the Beaver and Temiskaming in South-east Coleman will be found to extent south. The Oxford Cobalt, just over the border in the limit has been a most persistent worker in this area and is slowly developing into a property of great promise.

Cobalt 53 and other operations in the limit have revealed the presence of some excellent values. McKinley Darrah recently took over six claims in the limit, but it is understood that the Mining Corporation's new holdings are a considerable distance north and nearer Cobalt. It may be that future work will connect Cobalt and the South Lorraine silver camps.

Option Granted on Famous Alaska Mine

TACOMA, WASH.—An option on the famous Chicagoff mine, near Juneau, Alaska, has been taken by George T. Jackson, general manager of the Alaska-Gastineau Mining Company, and W. A. Castleton, president of the Chicagoff Mining Company. Mr. Rust is one of the principal owners of the Chicagoff along with Hugh C. Wallace, former ambassador to France.

The Chicagoff mine is one of the largest in Alaska, and, it is stated, has produced $10,000,000 in profits since 1909. The sum for which the option was taken has not been disclosed.

POWER TROUBLES OF KIRKLAND ARE NEARING AN END

Irregularity of Supply Will Pass When New Line is Ready

Kirkland Lake mines, which have been handicapped for some time by the intermittent and irregular power supply, are to be favored by the building of another power line into the camp. This work is already under way, the Northern Ontario Power Co. announces. The solution of the power problem of the camp has had a rather serious aspect, inasmuch as mill efficiency was daily impaired by the irregularity of the supply, while at the same time the Lake Shore and Wright Hargreaves have plans underway that would draw more heavily on the power and make a bad situation worse.

The building of the new line has been accompanied by other developments in water storage and plant, thus placing the company in a much stronger position to care for the needs of Kirkland, Cobalt and Lorraine.

TAYLOR PEOPLE ON TOUR OF THE NORTH

May Result in Mr. Myles Enlarging Operations—Dropped Scottish Operations

A. S. Miles, head of the Canynon Mines, which held a working option on the Scottish-Ontarion in N. E. Whitney, Porcupine district, stated to THE FINANCIAL POST that this option had been dropped. Results were not up to expectations. Excellent progress is being made in sinking on the Queen Lebel in Kirkland Lake and lateral work on the 200-ft. level is proceeding.

Diamond drilling on the Townsite shows good results in the core. Mr. Miles' principals, John Taylor and Sons, London, are out on a visit and have just concluded a tour of the North. It is not unlikely that as a result of this visit operations on a broader scale may be undertaken by this old mining house.

Mining Stock Quotations

Week Ending August 14

	High	Low	Close	Sales
Argonaut	72¼	71	72	15100
Baldwin	6½	5¾	6¼	69500
Beatty	17¾	11	16	27500
Beaver	33½	32½	33½	11500
Bidgood	8⅞	8	8¼	33000
Boston Creek	10	—	10	100
Buckingham	10½	8½	9½	18500
Castle Trethewey	25½	24	24¾	25500
Chaput Hughes	6	—	6	2000
Coniagas	2.55	—	2.55	200
Cons. Smelters	27	25½	27	365
Cons. West Dome	25	23	23½	79,500
Clifton	17	16½	17	32500
Col. Kirkland	12	11	12	3000
Crown Reserve	59½	58	57	11600
Dome Mines	35.95	35.00	35.00	1240
Dome Kirkland	10½	1¾	2	5500
Gold Reef	2½	—	2½	8000
Goldale	54	52½	54	8350
Hattie	28	19½	21½	85500
Hillcrest, pref.	90	—	90	5
Hollinger	12.10	11.80	12.10	2810
Hunton	8½	7½	8½	24500
Keora	10	9½	10	2600
Keeley	1.85	1.68	1.85	4500
Kirkland Lake	33¾	33¼	33¾	4000
Lake Shore	3.40	3.38	3.33	5950
Lorrain	21	20	21	80300
McIntyre	17.10	16.80	17.00	1265
McKinley Darragh	15½	15	15½	4500
Mining Corp.	2.28	2.35	2.28	5850
Moneta	19½	—	19	6500
Newray	43	40½	43	13000
Nipissing	5.60	5.50	5.50	2235
Ophir	2¼	—	2¼	2000
Petrol	15⅞	—	15⅞	110
Peterson Lake	9⅞	9¾	9¾	2550
Porcupine Crown	11	—	10½	2100
Preston E. Dome	10⅝	10½	10⅝	9500
Teck Hughes	1.17	1.06	1.17	31465
Thompson Krist	4⅜	—	4⅜	11000
Trethewey	3	—	3	100
Vac. Gas	2¾	—	2¾	1000
Vickers	35	—	35	9600
Vipond Cons.	63½	62	63	7150
Wakenda	6½	5½	6½	12000
Wasapika	5½	5	5½	90000
West Tree	9	8¼	9	14500
Wright Hargreaves	3.10	3	2.95	460

EUROPEAN MONEY IN TERMS OF TRILLIONS

Average Mind is Confused in Trying to Visualize Gigantic Figures

We are now getting the figures of paper money of certain countries in "trillions" of their respective units of currency. The latest reports quote the German circulation at nearly 32 trillions of marks; Austria over 5 trillion crowns; Poland over 3 trillion Polish marks, while Soviet Russia has long since passed the trillion line, and the latest advices put the total of outstanding Soviet currency at more than 4 quadrillion paper rubles (4,482,800,000,000,000).

But even if we disregard the Soviet paper money, which is no longer included in the statements of world currency issued from week to week in the financial reports of Europe, it is interesting to try to comprehend the meaning of the word "trillion" in which at least three European countries other than Russia regularly and officially state their outstanding paper currency. The latest reports from Germany put the note circulation at nearly 32 trillion marks (31,824,820,-868,000), Austria over 5 trillion crowns (5,017,632,861,000), and Poland nearly 3 trillion Polish marks (2,817,859,476,000).

What is a trillion? We know, of course, says the Trade Record of The National City Bank of New York, that it is a thousand billions, and if we are able to measure in simple terms the real bigness of the billion, in which we are now every day measuring world currency and trade, it may be helpful in the attempt to grasp the meaning of this new unit in which we are now measuring the multiplied paper money of the countries whose currency totals have passed out of the billion class.

To measure even a single billion is difficult, but can at least be illustrated by a very simple statement. We all know how rapidly the expert counter of coins will manipulate them. The treasury experts at Washington will count 4,000 silver dollars in one hour, but that is their limit, working 8 hours a day an expert will count one million silver dollars in 31 working days, but that is only the beginning of the billion, and if this same counter were to go on counting the dollars at this rate, 8 hours in every working day of the year, he will require 100 years in which to count one billion of them, and when we further remember that the trillion is a thousand times as much as the billion we begin to get at least a dim comprehension of the quantitative bigness of the "trillion" in which the currencies of at least 4 countries are now being measured. If, to count one billion silver coins would require the continuous service of one man one hundred years, to count a trillion coins would require the service of one thousand men one hundred years.

Ontario's Companies Act May Be Changed

Though it has been stated that the Ferguson cabinet has not reached a decision not to proclaim the Sale of Securities measure, there is a feeling abroad that such is the case and that the statute will be allowed to lapse. Premier G. H. Ferguson and Hon. Chas. McCrea, Minister of Mines, were severely critical of the measure when it was before the House. The premier contended that it was impossible to save a fool from his folly, while the minister of mines contended that the measure would prove a handicap to the mining industry.

If the government decides to take this stand, amends may be made by strengthening the Companies Act. This measure is full of loop-holes and as a result its supposedly strict provisions are being steadily evaded by those who are "putting over" questionable promotions.

Better Outlook for Mining in Cape Breton

"The colliery workers in the Sydney field are being re-employed as rapidly as places can be found for them to work. In some cases water and falls of ground have prevented places being opened to the miners, but such occurrences have been much less frequent than could have been expected after the prolonged shutdown," says the Canadian Mining Journal.

"The colliery workers are at last rid of the small Communist minority that has led them by the nose during recent years. In this case, too, we can expect from now on a more friendly mutual-relationship between employers and employees. From the indications we judge that a period of unexampled prosperity is ahead for Nova Scotia's coal and steel industries, based upon sound business and engineering management, as well as upon a better mutual understanding between company and operatives than has existed for many a long year.

Work Commences Soon On Ottawa River Dam

From Our Own Correspondent

MONTREAL.—That work will proceed shortly on the further developments of the Ottawa and Hull Power Company, through their subsidiary, the Ottawa River Power Company, is evident from the fact that plans have been prepared and tenders will be called shortly in connection with the construction of a dam 400 feet long across the North Branch of the Ottawa River near Bryson, Quebec. The plans include a power house and 50 mile transmission line to Ottawa to cost about $1,000,000.

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QUEBEC AGAIN HAS BIG SURPLUS ON YEAR

Revenues Exceeded Expenditures by $1,500,000—Liquor Profits Still Large and Important

From Our Own Correspondent

MONTREAL.—Quebec's revenues for the fiscal year that ended on the 30th June were approximately the same as in the previous fiscal year. The province took advantage of its buoyant revenues to increase expenditures on such functions as education, forest fire protection; public works; highways and colonization, with the result that the surplus for the year was well below the surplus for the previous year.

Ordinary revenue in 1922-23 was $21,634,641 and ordinary expenditures $20,190,275, leaving a surplus of $1,544,366.

In the previous fiscal year ordinary revenue had been $21,609,396 and ordinary expenditures $16,575,977, leaving a surplus of $5,033,419.

The largest source of revenue was from the liquor trade and licenses which brought in $4,362,746, a moderate increase being registered.

The next largest source of provincial revenue is the Department of Lands and Forests, showing $3,643,-407, which is a decrease of $361,025. Federal subsidies brought $2,316,086, taxes on commercial corporations $2,213,232, succession duties $2,620,-336, and the motor vehicle law $2,217,-578. The revenue of $21,634,641 compares with $21,609,396 of the year previous.

One of the main causes of the increased expenditure is public instruction, this having gone from $1,752,342 to $2,378,187. Public works cost $1,432,329, as compared with $979,747, but there has been included in this an amount of $260,000 of extraordinary expenditure. Maintenance of public health cost $292,617, as against $189,087. Agricultural exepnditure at $1,252,000 shows a slight decrease. Roads furnish another main reason for the increased expenditure, being $3,100,000, as compared with $1,581,203. The Department of Lands and Forests spent $870,544, mostly for forest protection, as against $716,135 for the previous year.

OPTIMISTIC CROP FORECASTS NOW BEING REDUCED

(Continued from Page 1)

continue to refer to it as prosperous, but it promises to be a prosperity that is slowly slipping away rather than one that is vigorously advancing. The prosperity of the flood tide is beginning to run out."

In Canada the reaction has not been felt to the extent noted in the United States, largely because the wave of prosperity was not noted here to the same extent. Our larger proportionate interest in agriculture and the conditions bearing on farm products were responsible. It is estimated that the purchasing power of the factory worker is about one-third greater than it was in 1913 and that the purchasing power of the farmer is about one-third less. Industrial wages in many communities have risen more rapidly than the cost of living and the farmer has suffered because of the impaired buying power of the importing countries. The establishment of the eight-hour day in the steel industry indicates the trend. If it involves the increase of pay to such an extent as to increase the cost of production, as forecast by Judge Gary, there seems to be little hope that the prices of agricultural implements, railroad equipment, and other things made of iron and steel, will not decrease in price but rather that there will be additional advances in the high costs to the farmer now being complained of.

For the time being, then, business continues to await developments of a definite character. There is confidence, but evidently that confidence will not be reflected in a substantial volume of new business until purchasing power is more definitely assured. The uncertainty of the European situation also continues to cloud the business outlook.

The current issue of

Gibson's Fortnightly Mining Review

contains information of interest concerning current developments in Northern Ontario's mines, including

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NEWS OF THE BANKS AND BANKING

SAYS "DAMNABLE CERTAINTY" THE BANE OF BANK JOB

Argument for Promotion on Basis of Individual Ability

Here are some pertinent and constructive ideas on the branch bank staff problem which are a valuable contribution to the discussion of the salary question. The accountant of a small town branch in the Rockies advocates promotion on the basis of merit and suggests that salary increases can be provided by charging the public what the service costs; competition, he declares, has resulted in giving the public something for nothing in a great many cases

This discussion of the subject, and the presentation of the views of the men in the field, should help head office officials in securing necessary changes to provide a salary basis which will satisfy many of the experienced men who are now leaving for other fields and thereby impairing the efficiency of the branch bank organizations. Further contributions invited.—J.W.T.

Any useful discussion of bank salaries must take into consideration the pertinent fact that during the last decade the ratio of profits to total assets has steadily declined.

As competition has become more aggressive, the policy of the various banks has been to give away, free, gratis and for nothing, service (which in the aggregate costs considerable sums of money) in order to attract new customers and to retain old business.

Unprofitable accounts are carried without charge; rates are cut; savings accounts are given checking facilities, and many thousands of calendars and other souvenirs are distributed.

This state of affairs is due to unscientific competition. It is obvious that in the average small town with two or three branch banks it is impossible for one bank to make a charge for keeping small accounts, or refuse to accept cheques on the savings department if the other banks in town are doing the opposite.

If the banks are to receive just and proper remuneration for the services they render it is essential that some hard and fast agreement be entered into by the various head offices concerned, and that such agreement be loyally observed by the various branch offices.

Another factor which undoubtedly has a considerable influence in keeping the scale of bank salaries low is the damnable certainty of a bank job. In the average commercial business the slacker gets fired; in a bank he gets the same increases in salary as his desk mate who has worked hard and well.

If two good reports brought a really substantial increase in salary, and two bad reports brought three months' notice to quit, the agitation for higher salaries would die a natural death in a comparatively short time. The good men would be satisfied, and the poor ones would be gone.

"Accountant."

Royal

J. Scougall, accountant in the St. Marys branch of the Royal Bank, has been transferred to the branch at Owen Sound.

Exchange

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Aug. 9 ..	2 7-16	2⅜	5-16	9-32
Aug. 10 ..	2 25-64	2⅜	5-16	9-32
Aug. 11 ..	2⅜	2⅜	9-32	¼
Aug. 13 ..	2 13-32	2⅜	3-16	⅛
Aug. 14 ..	2 11-32	2 5-16	3-32	1-16
Aug. 15 ..	2 5-16	2 9 32	3-32	1-32

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Aug. 9	4.56¾	5.66½	4.26
Aug. 10	....	....	....
Aug. 11	4.56¾	5.65½	4.28
Aug. 12	4.56 13-16	5.54	4.26½
Aug. 14	4.56 13-16	5.51½	4.30
Aug. 15	4 56⅝	5.42	4.28½

Staff Gossip

W. M. Simpson, manager of the local branch of the Royal Bank of Canada, is spending his vacation at Jimtown and is being relieved by E. C. Wilson.—Halifax Herald.

* * *

J. W. Simpson, manager of the Bank of Toronto, with Gordon G. Doherty motored to Meaford on Saturday, spending over the holiday with Mrs. Simpson and son who are holidaying there.—Sarnia Observer.

* * *

Mr. Shuttleforth, teller in the Dominion Bank, has been transferred to the St. Clair branch in Toronto. Miss Winnie Flynn will now receive your cash or hand it over to you with one of her pleasant smiles. Winnie will make a popular cashier.—Hespeler Herald.

* * *

Mr. R. L. McCormick, manager of the Pembroke branch of the Royal Bank, and his wife, participated in a motor-accident near Pembroke last week. The coupe in which the-- were driving turned turtle near the golf links but fortunately neither was seriously injured, although Mr. McCormick suffered some painful bruises.—Renfrew Mercury.

* * *

W. J. Ambrose, manager of the Bank of Montreal in the city, who has been promoted to a post with the bank in London, Ont., and who is leaving the city shortly to take his new post, was given a luncheon by a number of his friends at the Halifax Club. F. O. Robertson, manager of the Union Bank of Canada, presided at the gathering, while several of the prominent men of the city were present.—Halifax Herald.

Bank Manager Writes on the Use of Credit

In a special publication called the Swift Current Community Review, being distributed throughout the wider Swift Current district by the Bennett Publicity Service, appears an unsigned article on "The Function and the Use of Credit." "It is both timely and interesting," says the Swift Current Herald, "particularly in these days when there is such an apparent confusion of ideas upon the fundamental principles that govern our system of commercial barter and exchange. The article in question is from the able pen of R. M. McCaul, manager of the Swift Current branch of the Canadian Bank of Commerce."

BANK MANAGERS INTERPRETERS OF TRADE SENTIMENT

Their Views Are Valuable to the Business Community

Bank managers of Prince Albert have been interviewed by the Prince Albert Herald on the business situation and outlook. Their views will not only be of interest to bankers and business men generally in other parts of the country, but they also indicate how branch bank managers can provide business leadership in their own communities—not overlooking the fact that in so doing they are getting some desirable publicity. A. J. Reynolds, manager of the Canadian Bank of Commerce, and president of the Saskatchewan Associated Boards of Trade, refers to the recovery towards better agricultural conditions during the year and continues:

It was inevitable that the boom prices caused by the war and subsequent inflation of values had to come back to normal. It has been very hard, however, that following the usual laws of deflation the farmer has had to pay high prices for the things he bought and get low prices for the products he sold, because the first commodities to be affected by deflation are those produced from the soil. However, it now appears that the other things have come down to values more commensurate with the pre-war period, and, therefore, the farmer stands a better chance of making things go. In the Prince Albert district the farmers have had three hard years, not through the fault of nature but largely because of prices.

It may be doubtful consolation, but we may say that while the local farmer has been suffering, his condition is much farther ahead than farmers of other localities in the West that have also had natural difficulties to contend with in the way of drought, hail and insect pests. The past three years have been most salutary in pressing home the need for economy and diversified effort, and we think now seeing that we are on the eve of returning to more sound prosperity most farmers will profit by their recent experience. We shall learn not to depend too much on the grain, cattle, hogs or dairying but rather to place our faith in all these various avenues of income that are open to the farmer in Prince Albert district much more than in many other portions of the West.

There is a good dead of hope also for the farming population in the fact that both the Dominion and Provincial governments appear to be well alive to the fact that the needs of the farmer are the prior needs in Western Canada and a good deal of hopeful legislation is being constantly put through with a view to overcoming the heavy overhead under which all Western Canada farmers suffer, also new avenues of grain shipment are being thoroughly investigated in order to remove the bugbear of heavy freight rates against the Western shippers.

Stanley Davidson, manager of the Imperial Bank, J. B. Penney, manager of the Bank of Nova Scotia, and M. J. McCloskey, manager of the Bank d'Hochelaga, referred to the comparatively satisfactory conditions throughout Northern Saskatchewan. They stated that the greatest factor in the situation was the consistency of good crops and that 1923 bids fair to surpass the average in this respect. If fairly good prices prevail for wheat a steady rise in business and an easier tone in credit should develop. However, it was pointed out by Mr. McCloskey that conditions in Europe were an important factor in regard to export market for wheat and that the buying power of European countries would have to be restored before conditions would be altogether satisfactory.

Weekly Bank Clearings

EASTERN CITIES

	Aug. 9, 1923	Change	%
Toronto	$ 93,432,559+	$24,535,658	35.6
Montreal	86,777,993+	7,120,662	8.9
Quebec	5,930,800+	28,476	.4
Hamilton	5,557,603+	660,153	13.4
Ottawa	5,714,181+	2,571	.04
London	3,057,402+	935,388	4.3
St. John	2,852,738—	167,506	5.5
Windsor	2,721,961—	848,092	23.7
Sherbrooke	1,051,874+	231,118	28.4
Kitchener	960,842+	69,295	7.7
Kingston	855,502+	248,690	41.0
Brantford	837,862+	24,276	2.9
Peterboro'	674,924+	80,545	13.5
Total East	$212,436,241+	$32,921,234	18.3
Halifax	2,868,538		

WESTERN CITIES

	Aug. 9, 1923	Change	%
Winnipeg	$28,282,578—	$ 3,475,206	10.9
Vancouver	15,652,178+	2,212,694	16.4
Calgary	4,573,017+	467,585	11.9
Regina	8,607,267+	627,996	21.0
Edmonton	3,535,851—	67,572	1.8
Victoria	2,027,035+	217,525	12.0
Saskatoon	1,844,652+	73,130	4.1
Moose Jaw	1,207,215+	232,683	23.8
Ft. William	876,256+	210,526	31.6
Brandon	616,885—	36,689	7.3
New Westminster	558,993—	72,997	11.5
Lethbridge	504,647+	66,237	15.1
Prince Albert	301,010+	1,457	.5
Medicine Hat	294,860—	7,926	2.6
Total West	$ 63,682,444+	$ 450,443	.7
Grand Total	$276,118,685+	$33,371,677	18.7
Year to date	$9,559,150,482—	$ 3,402,480	.03

THRIFT TALK AND "MOVIES" BROUGHT DEPOSITS TO BANK

How One Branch Manager Found Out What Was Wrong

The bank manager was puzzled. Some of the regular depositors had not been in the bank for weeks and months. He had prided himself on an increase not only in the number of deposits but the volume of savings. For six months there had been a substantial increase in each over the preceding six months. Then the slump developed out of a blue sky.

The manager pondered, and sought to establish a cause or causes for this inexplicable decrease. Near the bank was a large manufacturing plant, employing one thousand men and women, about half of whom were depositors in the bank. The manager, on investigation, noticed that about forty per cent. of these depositors had refrained from making deposits in any degree during the preceding two months, and this despite the fact that the plant was working on full time and there had been no reduction in wages.

The manager interviewed the president of the manufacturing concern and asked permission to conduct noon meetings in the assembly hall of the factory. The head of the company agreed, and a series of meetings were announced to the employees to commence the following day and to continue each Monday, Wednesday and Friday for two weeks. The meetings were to start at half past twelve and occupy a half hour. The employees were invited to eat their lunches in the hall while listening to the remarks. It was also announced that questions would be answered by the speakers provided by the bank, and the meetings would develop into a type of open forum on the subject of savings accounts.

Lectures and Pictures

The manager was the principal speaker at the meetings. He outlined the necessity of saving a part of each week's wages, and depicted the fate of those who neglected to save. Each of his talks differed from the preceding address. The manager was no orator, he was just a plain talker. He realized his shortcomings and made no attempt to turn his talks into attempted speeches. He kept his words in hand, making simplicity his keynote at all times, therefore he was not talking over the heads of the hearers, this being one of the glaring defects of present-day speakers.

At each meeting the bank employees, under the direction of the manager, distributed small four-page booklets, stressing the need of saving for the inevitable rainy day. These booklets, worded simply, bore on the front page two pictures: one was of the local poorhouse and the other of a little, well-kept cottage. "Which will be YOUR home?" was the caption in full-face type over the pictures.

On the closing day of the series, the manager secured for a small sum from a film exchange manager a reel of a feature film, "Over the Hill." In this film was shown an old mother, penniless and ejected by an ungrateful son and several daughters, walking up a hill and entering a poorhouse, where she was later shown scrubbing floors.

A wooden box containing a slide was placed in the assembly hall on the final day of the series of meetings. Employees were asked to write their reasons for not becoming depositors in that particular bank, and those who had accounts in the bank were asked to explain why they did not continue to make deposits or why they had withdrawn their accounts entirely and transferred them to another bank. The hearers were asked to sign no names.

Courtesy Lacking

The closing day found six hundred in the assembly hall, and of this number, four hundred inserted slips of paper in the box. The manager carried the box to the bank and opened it. He found that the principal reason given for the decrease of deposits was that the officials of the bank were not as courteous to the small depositor as they were to the large depositor. Most of the slips contained candid expressions of opinion.

There followed a radical change in deportment at that bank. All employees were instructed to treat everybody courteously and not to discriminate. It had been the habit of the tellers to talk to depositors waiting in line while doing business with another depositor. The factory employees had formed the impression that the bank employees were affected, and had consequently drifted away from the bank.

In a short time this manager was gratified to find his savings accounts and the number of deposits on the increase once more. —J. McN.

DOMINION BANK IN LONDON

People having business with the London, England, branch of the Dominion Bank will be interested to learn of its removal from 73 Cornhill, E.C., 3, to more commodious premises. After Aug. 25th the office will be located at 3 King William Street, E.C. 4, which is in the heart of the financial district of London.

ROYAL BANK AT DUTTON

W. Saunders has been awarded the contract for the new Royal Bank building in Dutton, and the work will be commenced at once. The building will be of red brick, with 20 feet frontage on Main Street and 50 feet on Shackleton street, and will add much to the appearance of the town. The building will be ready for occupation about November 1.

BANKS FINANCING THE WHEAT POOL

Arrangement on Business Basis Without the Guarantee of the Government

REGINA. — "Some of the banks already have signified their desire to co-operate in furnishing the necessary credits," is statement occurring in a circular drafted by the secretary of the Grain Growers' Association and dealing with the voluntary wheat pool now in course of organization. "At all points where banks are located," the circular will state further, "they will act as payers of the pool. Where there are no banks, other arrangements are to be made."

The initial payment on grain consigned to the pool, it is pointed out, will be made through these payers, but "the percentage of initial payment can be determined only immediately prior to the opening of the pool."

Further possible payments through the marketing season are forecast in the statement that "should it become evident, as the season advances, that a further substantial payment can be made before the end of the pool year, provision has been made for such a payment."

"None of the proceeds of the pool will be retained for working capital," is a further declaration. "Only the amount necessary to pay the actual officers and handling expenses in connection with the pool will be retained this year, because of the fact that an interprovincial arrangement for selling is now being organized for next year.

"The cost will be the average rate of expense per bushel handled by the pool. With a reasonably large volume consigned to it, the pool should be able to handle the wheat for less than the one cent per bushel which at the present time is paid to the commission firm which handles the grain.

"Participation certificates governing the number of bushels of wheat delivered to the pool by the farmer will be given. The wheat will be handled through and stored by the country elevators.

"The Saskatchewan Grain Growers' Association will continue to retain the responsibility of the pool until other arrangements are made," it is further stated.

ANOTHER BORDER BANK CLOSES DOOR

Canadian Money on Deposit—Follows Collapse of Fight—Backing Bank

LETHBRIDGE.—Another border bank, the Farmers and Merchants Bank of the Sweet Grass, has closed its doors. The following notice was posted on the door Friday morning last: "This bank has been voluntarily closed by order of the board of directors."

Considerable Canadian money designed for oil development in the border field was in the bank at the time of the collapse. The president, J. H. Guerin, declined to give out a statement until the state bank examiner arrived.

This leaves the border towns with one bank, the International, but there is a rumor here that one of the largest of the Canadian banks in considering seriously the establishment of a branch at Coutts, having been assured of a good patronage.

Coming so soon after the failure of the State Bank of Shelby, of which Mayor "Jim" Johnson, principal backer of the Gibbons-Dempsey fight, was president, the closing of the Sweet Grass bank is a hard blow to the Northern Montana towns affected. A Shelby oil man stated that the failure of Johnson's bank hurt Shelby many times harder than did the fight. But the speaker was not discouraged. He expressed the belief that Shelby would come back and become a good, sound town. He said he believed Gordon Campbell and associates would go through with the proposed refinery.

The Farmers and Merchants Bank of Sweet Grass was established in 1917. The directors are John Mars, Willis Nichols, J. H. Guerin, and G. E. Smithberger.

New Assistant General Manager for Union

The policy of the Canadian banks in dividing responsibility in the conduct of certain departments by the appointment of assistants to the general manager, has led the Union Bank of Canada to make R. H. Baird assistant to Mr. Hamilton. G. S. Orde, who has been in charge at Ottawa, is now made manager of the Winnipeg branch to succeed Mr. Baird, while G. A. Campbell goes from Peterboro to Ottawa. The latter in turn is succeeded by C. H. Pennefather, late of Toronto and a former manager at Peterboro.

The Tax Applies Whether Collection Made or Not

When a bank customer puts through a draft for collection, there is no fee charged by the bank unless the money is secured. But the government demands the stamp tax whether the collection is made or not. The stamps must be attached to the draft when it is put into the bank.

It would perhaps be rather difficult to enforce a ruling that the tax should only apply when collection is made but that would be the sound principle of taxation—that is, to tax where there is a profit on the transaction of a benefit granted. There is no profit or benefit if the collection is not made. This is recognized by the bank, which makes no charge unless service is rendered.

A number of business houses are protesting against this taxation of drafts which are not accepted and which go in for collection and are not discounted, but no change has been made under the new regulations effective August 1. —J.W.T.

RADIO TO HEAD OFF FORGERS

Broadasting Information Will Dimish Crime

Operations of fraudulent cheque artists, swindlers and others of the same ilk who prey upon bankers, merchants and the general public of the country through misuse and abuse of the bank cheque, are going to find the plying of their trade a dangerous proposition in the Northwest, especially in Minnesota, as a result, according to the Ninth District Banker, of a new arrangement just made whereby radio is pressed into still another service. Through the courtesy of the Minnesota Loan and Trust Company, one of the subscribers to WLAG, the Minnesota Bankers' Association, whose protective department already boasts a long reputation for the apprehension of criminals of the above-mentioned type, will broadcast from time to time as occasion arises, vital information dealing with the work of criminals which, it is expected, will not only put bankers and merchants elsewhere upon their guard but also lead to a speedy apprehension of those who have committed the crime.

GUESTS OF SIR FREDERICK

All of the managers of the various branches of the Bank of Montreal in the Maritime Provinces were recently the guests of Sir Frederick Williams-Taylor at dinner in Moncton.

SCOTCH LADS FOR BANK

Thirty-eight Scotch lads ranging in age from 18 to 21 have arrived in Toronto to take positions with the Dominion Bank. While some of these boys will enter the service in the city, many of them are to be sent to various Ontario branches and some are to go out west.

IMPERIAL COUNTERFEITS

Cleverly executed counterfeit five-dollar bills of the Imperial Bank recently appeared at Ottawa. The bills were such good imitations that in some instances they have passed muster at the bank in casual handling. They are photographic reproductions on Japanese paper. The only pronounced difference between the real and the bogus notes is that the latter have a rather washed-out appearance.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, AUGUST 17, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

THE PUNISHMENT AND THE CRIME

"My object all sublime
I shall achieve in time
To make the punishment fit the crime—
The punishment fit the crime."

It would be difficult to make the "punishment fit the crime" of starting a forest fire. Perhaps, for this very reason—the impossibility of meting out fitting retribution for the destruction of life and property—that punishment is seldom, if ever, exacted from those who start these devastating forest fires.

But punishment must be given—not in any vindictive spirit, but that a realization of the offence may be brought home, and that others be more careful. Men in the North Country incline to the opinion that tourists, hunters, etc., have been too much blamed for forest fires. Doubtless some of them are careless, but on the whole it is the people who live in the North Country—the settlers, and to some extent the prospector—who start these fires.

A settler requires to burn up the underbrush on his own farm. He asks permission of the fire ranger. The fire ranger observing conditions, sees a grave danger, and refuses his permission. In too many cases the settler then proceeds to start the clearing fire in spite of the warning of the fireranger. Sometimes no harm results—rain may come and stop the fire. On other occasions a conflagration results, which sweeps across the country, jumps waterways, destroys millions of dollars worth of property, renders people homeless, perhaps destroys life.

It is time that punishment should be imposed. That, perhaps, as nothing else, will bring a realization that the personal and individual needs of the moment must not be allowed to jeopardize the safety of the whole huge area—must not be allowed to bring the huge risk of loss, to people of these huge districts, and of the country as a whole.

Punishment for starting a forest fire can never fit the crime; but punishment can be imposed, and responsibility can be fixed on fireragers and others to lay charges which will bring just punishment with its deterrent effects.

ALL FACTIONS IN THE WHEAT POOL

THE popularity of the eleventh-hour campaign for a wheat pool in Western Canada is evidently to be accounted for in the widely held idea that the existing machinery does not give the wheat grower all the profit that he is entitled to. If this is the case then the sooner that desirable changes are made in the system, either through the formation of co-operative pools or other methods, the better. It is highly desirable that the Canadian farmer should have a fair return for the capital and labor invested—we cannot have a prosperous country otherwise.

But it remains to be seen whether the formation of a pool will bring the desired results. A sincere effort at co-operative marketing should bring benefits in the reduction of marketing costs. But the character of the movement which is now sweeping over the prairies indicates that the people have been led to believe that by some magical change in the marketing machinery the price of wheat can be materially increased. The various factions, with their advocacy of cheap money, provincial banks, government wheat pools, etc., have all discarded their worn-out slogans. All these politicians are now swimming together in the old wheat pool.

As previously pointed out by THE FINANCIAL POST, there is a distinct difference between what Aaron Sapiro did for the Californian fruit growers and what he now talks of doing for Western grain growers. In fruit a new industry had sprung up. It was a case of finding consumers. The problem was transportation and distribution. Grower and consumer benefited. But in the case of wheat we have a stable food commodity, we have well organized markets and a distribution machine built up during many years. If further reductions in the cost of marketing can be effected, well and good, but we cannot expect the foreign consumer to pay more for Canadian wheat than the wheat of any other country. Besides it might be pointed out that Mr. Sapiro seems to have overlooked some excellent opportunities to get bigger profits for the American wheat grower in bringing this great boon to Canada.

The wheat pool should do no harm. If it develops more efficient facilities for marketing it will be a splendid thing. But we feel that the Western farmers should not expect too much.

MOTOR BUSES VS. RAILROADS

SIR ADAM BECK talks of reviving his radial railway scheme and covering Ontario with a network of electric railroads. The fact that such a project has been condemned by experts as economically unsound and bound to increase the heavy transportation deficits which the people are now bearing will not check his ambitions if he can get the money to finance the scheme. We have confidence, however, that, in this connection, the Ferguson government will follow a sound business course.

In any modern scheme of transportation service, particularly where the short haul is a factor, the motor bus demands increasing consideration. In Minnesota recently the Northern Pacific has been allowed to discontinue twenty of its trains running out of Minneapolis and St. Paul and other railroads have adopted a similar curtailment of service. At a hearing held in Duluth by the State Railroad and Warehouse Commission it was shown that the motor buses had so reduced the patronage of the Duluth, Messaba and Northern, as to render the operation of many trains unprofitable.

The motor bus should be given full consideration in any study of the transportation question in Ontario.

SIR ADAM SHOWS HIS HAND

THERE will be unanimous support in Ontario for Sir Adam Beck in his campaign to prevent the draining of Lake Erie by Chicago to the extent of seriously interfering with the water levels and the power-generating flow at Niagara. But it may be well to again point out that it would have been only common-sense on the part of Sir Adam to have arranged for a supply of water to operate his Chippawa plant before investing $75,000,000 to $100,000,000 in it.

By building the plant first and seeking water supply now he has played into the hands of the Chicago Sanitary District because American interests can naturally justify a demand for more water when Ontario Hydro is doing the same thing.

LITTLE PROFIT IN BANK NOTES

IN CONNECTION with bank note circulation there is a wide-spread belief that banks make large profits from the accidental destruction of notes in the hands of the public; notes which for this reason are not presented for payment. There is a profit, of course, as a certain percentage of this currency is bound to be lost or destroyed. The amount, however, is much exaggerated in popular estimation; the number of notes which actually disappear in this way is small.

At one time banks issued notes of a smaller denomination than $5, the present unit, and when the Government undertook to issue all notes below $5 these smaller notes were called in, written off, and destroyed. Most banks in writing off these notes took credit for the sums estimated as lost in this way, and all of them found it necessary from time to time to make additional appropriations for such notes presented for redemption.

The general manager of a bank not now in existence stated that, when a dangerous forgery of the notes of his bank appeared a number of years ago, it was decided to change the plate and recall all of the old issue. The old notes kept coming in for some years, and when they were practically all in, it was found that the profit from this source was not enough to pay for engraving the plates and printing the new issue. As the bank in question had a circulation outstanding at the time of about $1,500,000 and had been operating for over twenty years, it will be seen that the bank profits from the errors or misfortunes of the public in this way are not extravagant.

MORE COMMUNIST MONEY FOR PROPAGANDA

OFFICIALS of the American Defense Society discount the protestations of the Soviet Government of Russia and some American statesmen who have toured Russia recently that communists have abandoned their plan of spreading their propaganda throughout the world. According to recent information from a most reliable source, the Third Internationale has recently appropriated five million gold rubles—equivalent to $2,500,000 in United States money—to be used in influencing newspapers outside of Russia to spread Bolshevistic propaganda. According to statements by Third Internationale officials, the communist government is maintaining approximately 250 newspapers outside of Russia for the dissemination of propaganda to promote disloyalty in capitalistic countries, and to urge the overthrow of governments by force and violence. Four of these newspapers are published in the United States.

"Secret Instructions to Commercial Representatives of Russia in Foreign Countries," a copy of which is now in official hands at Washington, notes that efforts must be made to buy up the press and win over newspapers which will place themselves in the service of communism. This interesting document directs Russian commercial representatives throughout the world to aid pacifist movements to spread communism in armies and navies, to inspire in soldiers and sailors hatred of their officers, to start strikes and aid strikers, to organize "workers' troops" who must fight at the bidding of the proletariat, "to supply workers with weapons, to encourage the use of terror, and constantly to continue the spreading of rumors of impending wars."

"With insidious work as herein indicated going on in America," declares Commercial West, Minneapolis, "it is about time to awaken to the fact that if the country is kept from sharing in the ruin and desolation that is now so great in Russia, they must stand solidly for all that the constitution represents."

EDITORIAL NOTES

LORD BALFOUR recently expressed the opinion that high production costs are eliminating the United States as a serious competitor in the world's markets. This fact explains, in large part, the recent slump in American exports and the increase in imports; it might be well for labor leaders to study these facts. Canada is in the same boat.

* * * *

BUYERS REPORT splendid conditions in France. The factories cannot get enough workers for the demand in ribbons, gloves—almost everything America gets from there. In England, things are just the opposite. Buying is most unsatisfactory because of the listless attitude of both manufacturers and workers. Industry and prosperity are often synonymous terms.

* * * *

FOR EVERY dollar paid to its stockholders in dividends, the Rock Island system is paying, according to J. E. Gorman, its president, nearly two dollars in taxes, the actual payments being $5.93 in taxes to every $2.81 in dividends. Officials of other railroads report similar ratios of payment, saying that railroads whose taxes do not increase more rapidly than their dividends occupy favored positions.

* * * *

THE ONTARIO government has wisely decided to sell the Alfred peat plant. Mr. Ferguson and his ministers will be wise in following the general policy of not attempting to do what the people can better do for themselves. As a governing and regulating body any government will find all that it can hope to successfully accomplish in these times, particularly when the people are demanding such care in public spending as will balance the budget and ease the burdens of taxation.

* * * *

LEAVING ALONE every other question, what appears to the Kingston Standard is that the Dominion and Provincial Legislatures must show by reduced expenditure and strict economy that they are doing all they can to overcome the financial difficulties of the country. Quebec had a surplus last year; it has one this; Premier Ferguson is determined to practise economy in Ontario. The Dominion Government and the other Provinces must act as well.

The House That Jack Built

How California Has Been Sold on the Benefits of Private Service in Utility Field

By JAMES H. COLLINS, in "Business Magazine."

There is nothing particularly new about the situation; the novelty lies in what certain men in California have done to cope with the condition.

The condition probably exists in your own home town. In your community you have a public service corporation—an electric light utility, a street car line or a telephone company. Also, you have politicians who need an issue with enough emotional content to carry them into office. The politicians pick out the least-loved utility company, declare that its rates are too high, that it is mismanaged, and that it is a monopoly to which the public cannot apply the corrective of competition. They propose that the community go into this business, and they promise lower rates. The project is worked up in a campaign full of heat and hate. On election day, a proposal to spend public money resolves itself into a simple "Yes" or "No" at the bottom of the ballot. The voters, usually, are either indifferent or favorable. Either they ignore the project or they vote "Yes."

Can the community give utility service at lower rates than private ownership? Yes, in several ways, for a time—lower rates, but not lower costs.

While emotion lasts people will put up with an inferior service at lower rates; while still enthused by the campaign arguments, they feel that they are fighting for the community enterprise, which private ownership is trying to kill.

Under public ownership and operation, lower rates often are made possible by certain peculiar methods of bookkeeping. Where all the tax money goes into one big bag, from which come all appropriations, it is always possible to quote a five-cent rate on something that really costs seven or eight cents, and let the public pay the difference in taxes.

The Public Pays

For a time it is possible to make a grand showing. Little matters of a depreciation fund, a surplus for emergencies, the increase in facilities to meet the community's growth—matters like these may keep managers of privately-owned utility corporations awake nights. But they don't bother the politician. Nearly always, the community enterprise eventually runs down, is wrecked, sold or merged. But that happens long after the politicians who needed a burning issue have passed out of office.

The old army game! But in California last fall the people rose and voted down the biggest public ownership enterprise that has yet been proposed by the politicians.

For in California there is a new wonder—they have learned out there how to "sell" self-interest.

Under an amendment to the state constitution, a board appointed by the governor was to spend "not exceeding" $500,000,000 in the development and distribution of water-power electricity, in competition with electrical corporations that, from small and precarious beginnings, have made California probably the most thoroughly electrified community in the world. At the polls the project was defeated, partly by a campaign, but mostly through an enlightened public understanding.

"That's a very interesting local story," said a New York editor, after listening to a Pacific Coast utility man's explanation of how it was done. "But I don't see where it applies to a city like New York."

"Yes, you do—stop and think a moment. What would your building here be worth as a publishing plant without the subways? What would land be worth in Brooklyn or the Bronx? The daily life and normal growth of the city is tied to electrical development here just as much as in California, and when a community understands that it cannot develop ahead of its utilities, there is no difficulty in applying the principle anywhere."

Every community is sprinkled with public service property — trolley tracks, electric light poles, railroad stations, and so on. This property the people of the community use every day. Their interest in that property is highly intimate—but they seldom think so. The idea that the public service facilities relate in any direct way to the carpenter's job, the builder's contract, the real estate agent's grocery bill or the salesman's order book hasn't been demonstrated. People think of public service problems as belonging to bankers, bondholders, corporation officials, plutocrats. The people's chief concern, very often, is to get as much out of public utilities as possible for nothing—like the subway passenger who rides on a lead slug..

Three or four years ago, in the San Joaquin Valley, whence come the California raisins, A. Emory Wishon, general manager of the San Joaquin Light & Power Corporation, reasoned this way:

Wishon's Reasoning

"A community can grow only as fast as its public service facilities—they correspond to clothes.

"Public service facilities grow on fresh capital.

"You cannot get the investor to put his money into your enterprise unless it is safe and profitable.

"Safety and profit depend more on fair legislation than any other one factor.

"Legislation usually represents the opinion of the voters.

"Therefore, to get strong, fair, public opinion, the voter must be shown where the growth of public service facilities affects him in his pay envelope, his sales or his product.

"How can the voter be shown in everyday terms of self-interest?"

Nobody understood the troubles of the electrical man. And the electrical man didn't understand how to explain his troubles to average folks. His business was intricate, scientific and hard to explain. Meanwhile, the politicians had begun talking to average folks about "protection of natural resources from the grasping corporations," and about "power at cost—power for the people!"

Wishon felt that his industry had a story and that the industry would gain the support of public opinion if people understood the story, because the story was economically sound and right and would stand the acid test of common sense. Wishon knew that every man thinks from the standpoint of self-interest.

To find out just how electrical development affected the lives of average folks in the West, Wishon gathered statistics and calculations and charts. Plainly enough, the story was there. The curves of farm development, town growth, electrical supply and electrical investment money marched right along together. If you wanted to stop farming growth or town development, just shut off the new capital for electricity. The story in the curves was plain to an engineer. But how was one to make it plain to laymen?

Bye and bye, Wishon materialized his story in something that everybody could understand—The House that Jack Built.

The House That Jack Built

That house, as Wishon visualized it, was of the type that people were building, in country and town, in the district served by Wishon's company. If a farmer built the house in a new irrigation region it cost $5,070, and if a townsman built it in town, it cost $6,000. For every new house in the country, two new houses were built in towns. For each new house there were needed additional facilities for enerating and distributing electricity. Agriculture in the West depends so largely upon electricity for irrigation that it grows in terms of electrical supply. So do the homes, stores, workshops and factories in the towns

(Continued on Page 15)

Only "One-Crop" Farmer is Broke

From "The Breeders' Gazette," Chicago.

The price of wheat is the subject of widespread discussion. It is working its way into politics, for political purposes. It has recently accomplished political results in Minnesota.

Less than 7 per cent. of the value of farm crops and live stock last year was represented by the American wheat crop. That percentage had seldom been higher than seven. The existing furor over the price of the cereal, however, has apparently led some uninformed or misinformed business men and others to believe that the financial stability and future of this country are dependent upon the price which farmers obtain for wheat. Undeniably wheat is one of our major crops, but in total value its position, in relation to the total value of other farm crops and live stock, is low.

Where wheat is the one and practically only cash crop grown—as it is in large areas in the Northwest and West — specialized wheat farmers have been for several years and still are in dire straits, many of them being desperate and insolvent. Their unfortunate predicament cannot be charged altogether to a demoralized wheat market, following the close of the war; it is clearly attributable, in part, to the unsound, unsafe and always speculative kind of farming in which they are engaged on impoverished soils in regions handicapped by an unfavorable climate.

The man who makes wheat his chief, if not his whole cash crop, whether in the wheatbelt or elsewhere, is a gambler. He is sure to "lose" much oftener and much more than he "wins." Specialty farming, so far as any staple world crop like wheat is concerned, is a highly hazardous system. When to the economic hazards involved in growing wheat there are added the inescapable hazards of drouth, hail and insects, it is, as commonly practiced in this country, foredoomed to be a fruitful cause of unrest, dissatisfaction, political animosity and organized crusading activity among those who follow it.

America can never be made safe for the one-crop farmer. He will always be "in hot water"—and in politics. His extremity will always be the political demagogue's opportunity to be elected to an office. Fundamentally the woes of the one-crop farmer are the fuel and the flame of the farmer-labor party movement.

Farmers who are most concerned about the price of wheat constitute but a small percentage of the total number of farmers in this country. Many men who practice diversified farming grow wheat every year, and, of course, are desirous of securing a profitable price for it; but they grow other crops, and raise and feed livestock, so that "if they lose on wheat," or fail to make money on it, they have marketable "eggs" in other baskets, and consequently can remain in business without the aid of political miracle performers.

Specialized wheat farmers may be bent, broken, or "busted," but the overwhelming majority of American land owners are neither specialists nor wheat farmers. All classes of farmers have been affected by the agricultural depression, but the specialist or one crop class has been hit the hardest, and was the least able to survive the shock. The rest—and particularly the stock farmers, who grow more kinds of crops than any other class—are slowly "getting on their feet."

These farmers have made a longer step than any other class toward normal, and, in comparison with others, are infinitely better off financially. The live stock which they have marketed during the past two years has put them in possession of a huge total sum of cash, with which to pay debts and make urgent purchases. Meantime they have continued to improve their soils and their farmsteads, and thus increased the value and earning power of their "plants."

So long as mixed farming, with its foundation based upon improved live stock, continues to increase, as it has been rapidly increasing in recent years, American agriculture cannot be "ruined" by profitable prices for wheat.

PERSONALS

T. J. PARKES has retired after 15 years service as Sun Life manager of the company's Eastern Townships division at Sherbrooke, Que. He is succeeded by H. A. H. Baker.

DAVID M. ROSS, representing James Miller and Co., Ltd., Glasgow, exporters of disinfectants, oils and acids, was in Toronto last week, looking over the Canadian market for these goods. This firm will probably appoint a representative in Toronto, shortly.

G. GARNET, managing director of G. Garnet and Sons, Ltd., Apperley Bridge near Bradford, England, manufacturers of fancy worsteds, has been in Toronto during the past few weeks, looking over local conditions, and conferring with his agents, Messrs. Wilson, Angus and Adam, Ltd., Toronto.

H. R. STEPHENSON, general manager of the Crown Life Insurance Co., has returned to Toronto recently from a trip through Western Canada. While it is too soon to determine how far the good crop prospects will benefit the life companies, he notices a feeling of confidence among Western agents.

SAMUEL CARLTON has been appointed secretary at Montreal, of the Canadian Casualty Underwriters' Association, succeeding T. D. Hutchins. Prior to his appointment, Mr. Carlton has been in the service of the Canadian branch of the Continental of New York, before which he had been associated with the Travelers of Hartford at the head office, and at Montreal.

WALTER J. LUCAS has joined the organization of the Financial Service, which distributes the financial news bulletins in Montreal and Toronto. Mr. Lucas becomes sales manager of the company. He has been on the staff of the Canadian Bank of Commerce for about thirteen years and has occupied various posts in the bank from Ontario to Halifax. Mr. Lucas has been an accountant in the Montreal main branch of the bank for the past three years.

PHILIP VIBERT, the newly-appointed manager of the Union Bank of Canada at Victoria, has been chief inspector of the bank and has been prominent in bank circles in Western Canada for 30 years. He has occupied posts at Lethbridge, Calgary, Vancouver and Winnipeg in that time. He came to Winnipeg on the head office staff in 1909 and remained for three years. In 1912 he was transferred to Vancouver as manager of the main branch and occupied the dual role as superintendent of British Columbia branches. He returned to Winnipeg in 1916 in an executive capacity and was subsequently promoted to the chief inspectorship.

FREDERICK EDMOND MEREDITH, K.C., M.A., LL.B., L.L.L., LL.D., who has been appointed a director of the Bank of Montreal is a member of the law firm of Meredith, McPherson, Hague, Holden, Shaughnessy and Howard and has occupied many positions of distinction in the legal fraternity since he was called to the Quebec bar in 1887. Mr. Meredith has been intimately associated with the affairs of the bank for a great many years, having acted as counsel in connection with many of the more important undertakings of the bank. In addition to building up a very large corporation business throughout the Dominion he has been a keen student of legal and university matters. He served as a partner with Sir John Abbott, K.C.M.G., and was syndic of the Montreal bar 1904-5 and batonier of the Montreal bar 1907. He was born in Quebec City and is a son of Chief Justice Sir William Meredith.

G. S. ORDE, who has been made manager of the Union Bank at Winnipeg, has been manager at Ottawa. He came to Ottawa in June, 1917, and succeeded K. F. Gilmour, now manager in Montreal. Under his capable managership, the business of the local main office has shown a marked increase in the past six years. Although not Ottawa born, Peterboro being his native city, Mr. Orde attended the Ottawa Collegiate as a boy. His first employment was with the E. B. Eddy Company at their head office in Hull. He afterwards moved to Western Canada and began his banking career with the Union Bank at Winnipeg on October 1, 1899. After serving as accountant at the main office in Winnipeg from 1907 to 1909, Mr. Orde was appointed to the inspection staff at Winnipeg, and subsequently became assistant manager of the main office at Vancouver in 1911-1912. Mr. Orde cumulated the duties of inspector of Alberta branches and manager of the main office at Calgary from 1912 to 1916, and was assistant to the superintendent at Winnipeg during part of 1916 and in 1917 up to the time of his appointment to the Ottawa post. As manager of the main office in Winnipeg, he succeeds Mr. R. H. Baird, who has been appointed assistant to the general manager of the Union Bank. The new manager of the Winnipeg main office of the Union Bank is a brother of Mr. Justice J. F. Orde, of the Supreme Court of Ontario, and an uncle of Lt.-Col. R. J. Orde, Judge Advocate General of the Department of National Defence.

REINVESTMENT IMPORTANT

The conserving and reinvesting of the incoming funds is important alike from the individual and from the national standpoint. Canada and Canada's enterprises are bound to grow in the future and funds are needed for their growth. It is for the investor to participate in the growth of Canadian institutions with Canada's growth.

An investor's list should be representative and diversified. It should contain first, a goodly proportion of the government and municipal securities. As the totals of these increase, good industrial bonds thoroughly backed with intrinsic values may be accumulated. Then a proportion of higher yielding industrial securities of varied type might be added. Individual circumstances, needs and requirements are different and full consideration should be given to these in framing the ideal investment policy to suit the case.

We shall be glad at all times to consult with those having investment problems.

A. E. AMES & CO.

Investment Securities — UNION BANK BLDG. . . . . TORONTO; TRANSPORTATION BLDG. MONTREAL; 74 BROADWAY . . . . NEW YORK; BELMONT HOUSE . . . VICTORIA, B.C.; HARRIS TRUST BLDG. . . . . CHICAGO — Established 1889

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

TECK-HUGHES

J. F. G., Ontario—I recently met an old mining man from the north who told me he thought Teck-Hughes has a very small acreage and in his opinion could never become a really big mine for this reason. He said it was a little corner off Lake Shore or a small wedge extending into Lake Shore's property. I shall be obliged for your opinion on this point.

The mining man from the north who informed you that Teck-Hughes had only a small acreage, stated something that was not true. Teck-Hughes has 446 acres in Teck Township, Kirkland Lake Camp. Some 200 acres adjoin Lake Shore and the balance of the company's holdings are some distance to the south.

CANADA HOUSING

Reader, Cannington.—Would like you to give us your opinion regarding Municipal Bankers Sales Corporation. Is it a good sound investment, especially their Canada Housing Corporation bonds yielding 6½%?

Investors in the bonds of the Canada Housing Corporation should have little cause for worry. The bonds are backed by mortgages on houses in the city of Toronto, which are held in trust by a trust company. Those directing the affairs of the company have had considerable experience in building and other financial operations. Of course, such bonds are not as salable as good municipal or government issues or listed industrials.

AUSTRIAN LOAN

Subscriber, Ancaster.—Would like your opinion of Austrian Government guaranteed loan 1923-34 7% sinking fund.

In considering the Austrian Government guaranteed loan you must realize that the nations that are guaranteeing this loan are responsible only for their own percentage. The percentage guaranteed by Great Britain is absolutely unassailable, but the portion guaranteed by the smaller nations is not in the same position. That is why the issue is selling to give such a high yield. However, we feel that it is an investment that gives the purchaser an opportunity of getting a little higher than ordinary yield and really good security at the same time.

OTTAWA AND HULL POWER

Subscriber, Ancaster.—Kindly furnish me with your opinion of Ottawa and Hull Power Company, 7% cumulative stock with a bonus of common.

The preferred stock of Ottawa and Hull Power Company may be regarded as an excellent type of business man's investment. The securities should not be considered as without its speculative elements, but these, to the extent to which they are present, are compensated for by the bonus of common stock which is being given. This common stock, by the way, represents a certain cash investment over and above the amount of bonds and preferred stock outstanding and this is one of its strongest features. The fact that the amount of bonds and preferred stock outstanding only totals $100 per horse-power developed is worth noting.

RED WING QUARRY

M.J.B., Ontario.—I hold shares in Red Wing Quarry Co., North Bay. Do you consider it a safe investment? What are its prospects?

Red Wing Quarry is a speculative venture. We might state in dealing with this phase of your query that there is no such a thing as a safe investment. The enterprise is a new one believed to be in good hands. The holdings of the company are three quarry claims, amounting approximately to ninety-five acres, and others may be added as the company progresses. The board of trade of North Bay made an investigation into the company, its books, etc., and gave the proposition their approval. We understand that the company has a large number of letters promising them heavy orders for the various products immediately they are under operation.

MAPLE LEAF BONDS

Cautious, Toronto.—Will you kindly let us have your opinion as to the safety and desirability of a Maple Leaf Milling bond at 101, 6½%. This is the new issue now being offered, term 20 years. Do you consider it a safe and conservative investment with fair marketability in case one wishes to realize on it?

In common with other milling companies, the Maple Leaf Milling Co. have been going through a period of low profits. While the volume of sales has kept up fairly well, the keen competition abroad has reduced earnings. However, there is no reason to believe that this state of affairs will continue indefinitely.

This company is well established and well managed. The 20-year 6½ per cent. bonds are well secured by a mortgage on the company's property. A fairly wide market for the bonds will be maintained, but, of course, they will not be as salable as good municipal or government bonds.

CAMERON PORCUPINE

Banker, Ontario.—What information have you regarding the Cameron Porcupine Mines, Ltd., Timmins, Alin C. McLean, president; Jas. M. Hazelton, vice-president; Gerald F. Brennan, secretary? Are these men of good character and ability? Would you regard stock at $1 as having chances as a speculation?

Cameron Porcupine Mines, Limited, Timmins, Ont., hold six claims of forty acres each in Bartlett township, Porcupine mining division. The proposition is capitalized at $1,000,000, and the prospectus recently issued by the company states that half a million shares are being sold, leaving one hundred and fifty thousand shares in the treasury. This evidently means that the balance, three hundred and fifty thousand shares, went in payment of the property. The owners and promoters of the company are all residents of Timmins, Ont. Of their character and ability we know nothing. Bartlett township, in which their property is located, is a long distance south of the producing area of Porcupine. The venture is highly speculative.

MAPLE LEAF COMMON

C. R., Winnipeg.—I have 25 shares of Maple Leaf Milling common bought around 140 and would like your opinion if I should hold them or sell and take my loss, also if you think the dividend will be reduced or passed for the next quarter.

In buying most common stocks you must remember that their values fluctuate with changing conditions of business. The milling industry in general has been passing through a period of depression and low profits. The Maple Leaf Milling Co. has, along with other companies, suffered. However, it is one of the strongest companies in the business and appears to be well managed. Whether the dividend will be cut or not will no doubt depend largely on the future course of the industry. The point for you to decide is whether you are in a position to hold a stock of this class—or rather, you should have decided that in the first place.

The directors of the company are: James Stewart, president; J. S. Barker, vice-president; Charles W. Band, Robert Cooper, W. Steed, W. L. Shaw, A. R. Macdonald, D. L. Cameron, W. H. McCarthy.

ALGOMA STEEL BONDS

Brampton.—I have invested $3,200 in the Algoma Steel Company's bonds at 5 per cent. Can you tell me if this is a safe investment?

A great deal of uncertainty has existed as to the future prospects of the Algoma Steel Corporation, a subsidiary of the Lake Superior Corporation. The company operates a steel plant at Sault Ste. Marie. Its chief difficulty in the past has been that its business has fluctuated widely at different periods. As the plant is fitted to turn out chiefly steel rails, these fluctuations might be avoided by a broadening out of the business to include other steel products.

The assets behind the bonds appear to be adequate, and they have paid the interest to date. At present prices they would appear to be an excellent speculation, as a reorganization, should it come, would scarcely wipe out the equity of the bondholders.

The directors are: W. C. Franz, Herbert Coppell, James Hawson, Sidney Mason, Alex Taylor, Joseph S. Dale, W. H. Cunningham, W. McOwen, H. C. Coleman, H. I. Underhill, R. Home Smith, Thomas D. Wood, T. Gibson, C. M. Brown.

QUEBEC RAILWAY BONDS

Ste. Agathe des Monts—Enclosed clipping shows a transaction in Quebec Railway bonds at 80 and attached advertisement offers, "Quebec Rly. Lt. & Power 5% bonds due 1939 to yield 7.25 per cent." Are these the same bonds? Would you consider a working man earning about $2,000 a year justified in investing $1,000 in these bonds? Does not the reported absorption of Quebec Rly. by Quebec Power, with the squeezing out of about $9,000,000 overcapitalization from the former, leave the bonds in a stronger position than before?

In view of the fact that very strong interests have taken a hand in the Quebec Railway situation we feel that the position of the Quebec Railway 5 per cent. bonds due 1939 has been greatly improved. This, of course, is shown in the advance of about 10 points in their market price during the past few months. Whether or not the bonds will actually be in a stronger position with relation to the assets behind them or not will be determined when the final plans for financing the further extension are announced. The process of squeezing the water out of the company has not, of course, added anything to the physical assets behind the bonds. But under the new control they may be considered as a fairly good public utility bond and worth your attention. The bonds quoted on the Montreal Stock Exchange and those offered you by the investment house are the same security.

COSGRAVE BREWERY

M. P. L., Montreal—What do you think of Cosgrave Brewery stock as a speculative investment? I am holding 200 shares which I bought at 6½ and the stock is now selling at 7½ and 8 in Montreal.

Cosgrave Export Brewery Company is now operating on a very fair basis, according to financial reports that have been submitted to us. It should have no difficulty whatever in continuing and possibly increasing the present dividend of 6 per cent. per annum, and we would suggest that you continue to hold your two hundred shares which you state you have bought as a speculative investment. The company's properties have been appraised, we are told, at one million dollars approximately, and there is a mortgage of less than $125,000 against this amount. This is the only capital indebtedness of the company. The full amount of the stock issue of one million dollars has been issued, but some 35,000 shares are held in trust for the purposes of the company and the redemption of the mortgage. It is not the intention of the company, however, to market these shares until the stock is closer to par, as it is felt that the present operating conditions of the company make a delay in this respect advisable.

The stock seems to have speculative possibilities.

DOMINION FINANCIAL CORP.

Reader, Brownsburg.—Will you kindly favor us with your opinion on Dominion Financial Corporation? A customer has 10 shares, $50, par value, which he bought at par and for which he received a dividend of $60. Would you consider it a good investment, and are you inclined to think that their financial position is such as to warrant a further investment, an additional $500?

The Dominion Financial Corporation is in the business of discounting mortgages and other kinds of paper. This is a business that with proper management can be made very successful. This company, however, is operating on a very small capital which will make it very difficult for it to pay all its overhead expenses and earn substantial dividends and reserve besides. We would think that your client who has already invested $500 in the company has speculated as far as he should go and we would not advise the purchase of any further shares.

In any such compnay as this it should always be borne in mind that the market for the stock is very limited and the investor may find it difficult to market these shares at any time without taking a considerable loss. Practically the only way the shares can be sold is by personal solicitation, as there is no open market and this means delay and, as suggested, often loss.

SAGUENAY PULP

Mount Royal—Will you please give me your opinion of the Saguenay Pulp and Paper Company? I am holding ten preferred shares and twenty common. Would you advise me to sell or to continue to hold?

At the present time we would suggest that you continue to hold your preferred and common stock of the Saguenay Pulp and Power Company. After being in a position of considerable obscurity for a considerable time the affairs of the company are gradually being straightened out in such a way that there is becoming a clearer idea of the inter-relationship of the different subsidiary organizations.

The company has disposed of its holdings in the local telephone company in the Saguenay district and has also sold the franchise for power distribution. The St. Lawrence Pulp and Lumber Co. has been taken from the Chicoutimi Pulp Company and put under the Bay Sulphite Company where it belongs and the Bay Sulphite has been financed to the point where it is an entirely independent institution and its only relationship to the Saguenay Company is the fact that 45 per cent. of its stock is held by the Chicoutimi Pulp Company, which in turn is controlled by the Saguenay Co. The company's serial bonds are being returned as they mature and this is a considerable drain upon the company's working capital. At the same time it is putting it in a much stronger position as time goes on and in another year or so with further developments that are in view the company's pressing obligations should be relieved.

There seems no likelihood of dividends on this stock for some time and if you are holding for an early income you are likely to be disappointed. Everything indicates that the company's affairs are being worked out along lines of distinct improvement and this should warrant your holding the stock further.

CURRENT OPINIONS

WORK WELL DONE

Grain Growers' Guide

During his four years of office, Mr. Drury has given Ontario good, clean and honest government, the only serious charge being that of heavy expenditure, the greater part of which, however, was due to the fulfilment of contracts made by the previous government. Mr. Drury, himself, has had an unblemished record. He is one of the ablest public speakers in Canada, and has been an honor and a credit to the province in the high position which he has filled. He can retire to private life, without regret. His retirement will probably be but temporary. He is a young man and undoubtedly will be heard from again in the future.

THE BUSINESS STABILIZER

Editor and Publisher

The fact that the United States Government is now making an exhaustive study of advertising with a view of aiding the farmer and the consumer by bringing about better and more rapid marketing of agricultural products is one more proof that the printed word is the greatest agency for business betterment.

Big business has already learned that advertising is the most valuable force in economic stabilization and it is sure to play big part in the re-organization of the marketing of farm products and lift the present unnecessary burdens that act as a barrier to rural prosperity. Advertising is the modern short cut to quick sales and profit, both to seller and purchaser.

TRADE WITH OTHER COUNTRIES

The Bache Review

During the week the statistics on imports and exports for the month of April came out and showed again the balance of trade against the United States—this month to the extent of $41,000,000. This leaves the total balance against us—that is, surplus of imports over exports—for the first four months of the year, around $89,000,000. The full tide of expending by American tourists abroad has not yet been reached, but as these, of course, are equal to imports in effect, they may reduce the figures against us in later months. This is based on the idea that buying over there, by individuals, would, to some extent, take the place of bringing goods into this country. If, however, the vast wants of the present business movement in the way of raw materials for manufacture and sale here, is the cause of the turnabout in our foreign trade balance, tourists' purchases would not have much effect in reducing them. Our foreign travel so far is said to be one-third below anticipation, but indications are that it will soon swell into very large figures.

A trade balance against a country in ordinary periods calls for export of gold, but it is rather curious to note that, notwithstanding the surplus against us in the last two months, gold imports have begun to come in in rather striking fashion.

CREDIT HELPS FOR FARMERS

The Bankers Magazine

If the farmers of this country have been deprived heretofore of any credit to which they were fairly entitled, or if they have been charged too much for the credit furnished, and if the new rural credit legislation will relieve them from either or both these evils without giving rise to others of greater magnitude, then such legislation is to be hailed with genuine satisfaction. In expressing doubts as to the wisdom of this measure, The Bankers Magazine certainly does not wish to be understood as antagonizing the farmers of the United States. Their welfare is of the greatest possible concern. Any legislation relating to credit or aught else, that will soundly promote that welfare is to be heartily welcomed. But it will be profitable to study the object of this recent farm credit legislation. When analyzed it will be found to consist in a desire to enhance the price of farm products. And it is easy to understand why this should be so. If the farmer must pay more for everything he buys and at the same time get less for what he sells, it is perfectly natural and only fair that he should demand higher prices for his own products. Another way of satisfying this demand would be by reducing prices of other commodities. But as the labor costs of producing such commodities are largely subject to union control, and the selling prices kept up by large combinations and a high tariff, this remedy is not one easily applied. The farmer turns to what seems the only source of relief—easier credits which will enable him to get higher prices also.

Conceding a large element of truth

rural credit legislation. If we had made it easier for the world to buy our farm products, is there any doubt that abundant credit facilities would have been provided by the existing financial mechanism? Since when have banks not only been willing but eager to finance profitable business for farmers or anybody else? Was not our real problem to provide better credit facilities for the buyers of American farm products rather than for the farmers who grow these products? Whatever may be the right answer for this question, there can be no doubt that the agricultural distress in this country is very largely due to the curtailment of our foreign markets.

We had an opportunity of providing better facilities for financing foreign trade through the type of corporation authorized under the Edge Law, but have made little use of it. The apparent attempt to do something for Europe is politically far less popular than the proposals for doing something for the farmer, although we might actually have helped him more by the functioning of an Edge Law corporation on a large scale than by the recent rural credit legislation. Doctors who make a wrong diagnosis are hardly likely to prescribe the right remedy. Legislation looking to the boosting up of prices, whether of farm products or of manufactured commodities, may well excite suspicion.

MATHEMATICAL THEORY OF FINANCE

Presenting the essentials of the mathematics of finance in a very clear and compact form the Mathematical Theory of Finance, by Thomas Milton Putnam, Ph.D., professor of mathematics and dean of the undergraduate division, University of California, has been written to cover a half-year college course for students of commerce and has elicited very favorable comment from those who have examined the manuscript. It is regarded as being ideally suited for class-room work in colleges whose crowded curricula will not permit the use of any of the several excellent books on the subject now on the market which are too long and cover too much ground for the time at the instructors' disposal. Instructors in night-school commerce courses should find this book of about the right length to fill their needs. The ...

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MONTREAL

A Laugh Is Always in Order

SHIFTING RESPONSIBILITY

A merchant, unable to sleep, tossed fitfully on his couch and muttered unintelligible words. The wife of his bosom sought the cause of his restlessness. In answer to her inquiries he said:

"You should expect me to sleep when my note to Cohan in the bank comes due to-morrow for $5,000 and there's only $2,000 in the bank to meet it."

"It is?" said the faithful wife. "Then I tell you what I should do, Ike. You should get up and go over to Cohan's house and tell him, and then come back and go to sleep. Let Cohan stay awake."—Cincinnati Times-Star.

OTHERWISE ACCURATE

They were dining at a fashionable restaurant, the customers' man and the gossip.

"See that man over there?" said the latter.

"Yes."

"Well, he is James R. Smith from Peoria, Ill."

"Indeed."

"Yes, he's just made $200,000 in the market."

"Well, dear boy," said the customers' man, "you're wrong four ways."

"Indeed!"

"Yes—his name is Howard R. Jones."

"Yes?"

"And he is from Springfield, Mass."

"Yes?"

"And the amount was not $200,000."

"No?"

"It was $20,000."

"Yes?"

"And he lost it."—Exchange.

IN TERMS OF BARTER

I own and run a farm in Virginia. Just how the farmer to-day is prospering as against the city laborer the following facts show:

It takes 63½ dozen, or 762 eggs to pay a plasterer for one day of eight hours work.

It takes 17½ bushels of corn, or a year's receipts from half an acre to pay a bricklayer one day.

It takes twenty-three chickens, weighing three pounds each to pay a painter for one day's work in New York.

It takes forty-two pounds of butter, or the output from fourteen cows, fed and milked for twenty-four hours, to pay a plumber $14 a day. It takes a hog, weighing 175 pounds, representing eight months feeding and care, to pay a carpenter for one day's work.

Who sees the way out?

The city workman's wages must decline or we farmers will stop farming entirely, exactly what most of us are doing.

I have planted my last crop and this year nearly 1,000 acres goes down in grass, on which I will raise nothing.

I can see only one way now, teach New York hens to lay bricks instead of eggs.—Graham F. Blandy, in the New York Herald.

AN AWFUL TEMPTATION

(Persons booking passage to America must state how much they expect to drink. The onus of getting rid of any remainder falls on the passenger.)

Oh, just think of the plight
Of the poor, thrifty wight
Who is told that the three-mile limit's in sight
When there's still to his credit
(The steward has said it)
Three bottles of port
Delicious to sip)
Champagne of the sort
You get on a ship
And two bottles of Scotch which he can not afford
At a price like the present to throw overboard.
He will be on the brink
Of succumbing to drink
And no one, in fact, could well blame him I think.
If tried in a passion
To finish his ration—
"Wheresh bo'l of port?
Gran' shtuff! 'Ave a sip?
Champagne! Thash the sort!
Besht I've (hic) had thish trip."
That he's nearing New York will go out of his head
For he'll feel he's just half-seas over instead.
—W. H. B. in the Morning Post.

How the Sinking Fund Protects Investors in Keefer Realty Corporation First Mortgage Bonds

The Trust Deed securing the First Mortgage Bonds of the Keefer Realty Corporation provides that, commencing December 1, 1926, $15,000 of Bonds shall be redeemed each year, and from June 1, 1933, $22,500 of Bonds shall be redeemed each year up to and including 1943.

This means that with every $1,000 of Bonds redeemed, the security to the remaining Bondholders becomes that much greater.

In addition to the Redemption Clause, the Trust Deed requires that a special reserve fund of $50,000 be set up and maintained.

Bond Interest will be met by net earnings of almost 2½ times the amount annually required. The building will also be insured for its full insurable value.

Bonds are in denominations of $1,000 and $500, which amounts should appeal to modest private investors.

Price 100 and Interest Yielding 6.50%.

Send to-day for our special circular describing all of these features in detail.

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Investment Opportunities

The present depressed state of the security market offers opportunities for investment that may not come again in months.

Many seasoned stocks with long dividend records are selling considerably below their real value.

No matter what may have happened during the past few months, the investment qualities of these issues have not been impaired. At present prices they return an excellent yield besides offering a fair chance for enhancement in value not many months hence.

We will offer suggestions in regard to securities or give you full information regarding any in which you may be particularly interested.

Truax, Carsley & Co.
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IMPERIAL OIL OF CANADA

Following notice that Imperial Oil of Canada is taking a record of registered stockholders August 15 for distribution of dividend of 75 cents, Listing Committee of the New York Curb Market rules that Imperial Oil registered stock be quoted ex-dividend Monday, September [illegible]

NEWS AND VIEWS ABOUT BONDS

LITTLE ACTIVITY IN BOND MARKET; REDUCE OFFERINGS

Victory Bonds Make Small Gains Following Recent Reaction

Little of note is to be recorded in the bond market of the past week. Few new issues were offered, but dealers report that they are cleaning out many odd blocks of bonds which they have been carrying, in some cases since the spring. Considerable trading has been done in the available bonds of the Canadian National Railway equipment issue. When this issue was floated, Victory bond prices fell off around a quarter of a point. These losses have been partly made up during the week. However, it must be remembered that only a small part of the Victory bond business is recorded on the exchange, as much buying and selling is done privately.

The New York market has been quiet since the summer set in, and prices have continued to react somewhat in sympathy with a bear stock market. The prices of 40 active bonds at the first of the month were approximately four points below those of the same date last year.

Outremont Bonds

Beausoleil & Co., Ltd., were awarded $260,000 of Outremont Protestant school bonds at 98.79. They bear interest at 5½ per cent. and mature in 20 years. At this price the money is costing 5.60 per cent. The bids were:

Beausoleil & Co., Ltd.	98.79
Nesbitt, Thomson & Co.	97.30
Hanson Bros.	97.26
McLeod, Young, Weir & Co	97.04

A. E. Ames & Co. purchased an issue of $35,000 Three Rivers School Commission bonds at 99.84. The bonds mature in 30 years and tenders were called on the basis of interest at 5 or 5½ per cent. The tender of 99.84 on the 5½ per cent. alternative was accepted and the commission is borrowing at a cost of 5.51 per cent. Bids were as follows:

	5½%	5%
A. E. Ames & Co.	99.84	92.533
Beaubien & Co.	99.09	91.15
Versailles, Vidricaire & Boulais	98.56	91.33
Credit Canadien	98.00	92.00
R. T. Leclerc, Inc.	97.10	....

Buy Magog Bonds

An issue of $40,500 town of Magog, Que., 5½ per cent., 30-instalment debentures was awarded to the Municipal Debentures Corp., at a price of 98.50, the money costing the municipality approximately 5.63 per cent. Tenders were as follows:

Municipal Debentures Corp.	98.50
Versailles, Vidricaire & Boulais	98.28
L. G. Beaubien & Co.	98.05
Rene T. Leclerc, Inc.	97.53
Credit Canadien Inc.	97.25

Rene T. Leclerc, Inc., purchased $25,000 5½ per cent., 40-instalment debentures of Acton Vale, Que., at 97.62, the money costing the municipality about 5.69 per cent. Tenders were as follows:

Rene T. Leclerc, Inc.	97.62
Credit Canadien, Inc.	97.00
Municipal Debenture Corp.	96.72
L. G. Beaubien & Co.	94.00

MONTREAL GOT BIG RENTALS FROM TRAMS

Total of $1,300,000 Paid City By Montreal Tramways Commission in One Year

From Our Own Correspondent

MONTREAL.—The annual reports of the Montreal Tramways Commission have some small interest for shareholders of Montreal Tramways Company, but the reports have more interest for citizens of Montreal, whose tramway fares are adjusted on the basis of the commission's finances in order to allow Montreal Tramways Company its more or less fixed revenues.

The fifth annual report of the Montreal Tramways Commission to the city of Montreal for the year ending June 30, 1923, has just been made public. The gross receipts as well as the actual operating expenses and taxes show increases of about half a million dollars each. The better results hoped for in last year's report have been realized, higher revenues, with the same fare, having been obtained, improved service given and the operating rate maintained.

The following is a statement of operations for the period under review, compared with the corresponding period ending June 30, 1922:

	1923	1922
Gross receipts	$12,056,355	$11,712,525
Op. exp. & taxes	6,099,993	5,769,403
Maintenance	2,492,792	2,579,200
Op. profit	48,304	47,959
Int. on cap. value	2,344,681	2,329,457
Financing exp.	181,431	181,431
City's rental	500,000	500,000
Res. fund	41,597	171,125
Surplus	$ 347,553	$ 187,947

Of interest to other cities that are operating publicly-owned tramway lines is the fact that Montreal Tramways Company gave the city an excellent car service in the year and in addition paid $229,629 in taxes; $190,800 for snow removal and $889,151 on account of rentals. The average fare was 6.23 per cent., the rate of fares charged being the same as in Toronto and many other cities, namely, 7 cents cash or 6 cents for books of tickets.

Late President Harding's close friends tell of dinner on western trip at which Harding said he sold Marion Star because after presidency he intended to accept $25,000-a-year editorial position with newspaper. Said Star had been paying about $30,000 a year but thought editorial offer was better.

FURTHER CHANGES IN CALGARY'S FINANCES

Prepare Budget Before New Council is Elected; War Urged by Research League

The announcement by the Calgary commissioners that preparations are under way for the compilation of next year's budget in time for its discussion before the election of the council which will administer the expenses of the city for 1924, has incited some favorable comment.

Many other cities have been attempting to advance their budget, but so far their progress has been slow. This reform was one of the first urged by the Calgary Research League after a survey of the situation. A. B. Silcox, director of the league, in commenting upon the announcement, said:

"The move should result in not only further economies in operation, but should have a most favorable effect upon the city's credit, and so reduce the cost of money to the city in the event of any bond flotations.

"One other and very valuable feature is the added interest in civic elections which is sure to develop through discussion of proposed expenditures."

He suggested a further step in the present adjustment as follows:

"The next step in budget improvement should perhaps be a review of the present and the adoption of some standard classification of accounts. This will aid the general understanding of a very complex business by producing more simple and clearer records."

TO LOCATE IN CANADA

One of the principals of the Britannia Pottery Co., Ltd., Glasgow, will visit Canada shortly. The firm will seek business in this market for a large ten-oven factory.

New York Bond Dealer Visits Western Canada

R. H. Mainzer, of Hallgarten & Co., New York, bankers and bond dealers, is in Western Canada. He has been arranging the purchase of municipal bonds from Medicine Hat, going on to Vancouver from there.

He is an old classmate and a personal friend of President Coolidge, who he says is fond of Canada and the Canadian people. They spent some time together last year at Banff, Alta.

FEDERAL INCOME UP; EXPENDITURES DOWN

Gain of About $15,000,000 in Net Position Over First Part of 1922

From Our Own Correspondent

MONTREAL.—July's decrease in the net debt of the country—a decrease of $6,000,000—left the net debt $11,000,000 higher than it was twelve months ago.

The net debt of Canada at the end of July stood at $2,403,235,609, as compared with $2,409,001,572 at the end of June. The gross debt at the end of July was $2,928,212,777, as compared with $2,925,568,384 at the end of June. The increase in the gross debt is due to a rise in the circulation of Dominion notes.

The difference between the two statements is explained by an increase in the investment of Dominion funds over and above those which are classed as inactive, such as the railways.

During the year ending with July there was a drop of about $47,000,000 in the gross debt, but the net debt during the same period went up by approximately $11,000,000. The reduction in the gross debt is explained chiefly by a decline in the debt payable in Canada. There was also a decline in the temporary loans during the year, but there were increases in the note circulation and the miscellaneous banking account of the government. The increase in the net debt is explained by a decline in government investments generally accompanied by an increase in those investments which do not produce a revenue.

Revenues are still buoyant and in July totalled $32,759,524. The current expenditures for the month of July showed a decline of well up to $9,000,000, standing at $18,358,720. The capital and special expenditures stood at $907,085, showing a decrease of about $100,000. Taking the four months of the fiscal year, up to the end of July, there was an increase of about $11,000,000 in the current revenue during the present year, while there was a cut of something over $4,000,000 in the current expenditure. The revenue for the four months in the present year was $152,265,643, and the current expenditure $91,145,399.

Financial Report of Toronto Soon Ready

The annual report of the Toronto commissioner of finance upon the city's funded debt and sinking fund for the year ending December 31, 1922, which is now being printed, shows 54 per cent. of the $145,000,000 of borrowed capital has been invested in revenue producing services. Invested in public utilities is $64,000,000, while the city has pledged its credit to the extent of $14,000,000 for the ratepayers' share of local improvements. The balance of the debt, $67,000,000 has been incurred for the general operating expenses of the municipality.

Lion Mead Buffer Bonds Are Offered in Ottawa

An offering of $50,000, 8 per cent., 10-year convertible bonds of the Lion-Mead Rubber Co., of Hull, Que., is being made by the Lion-Mead Sales Corp., of Ottawa, at par. The bonds are in denominations of $100, $500 and $1,000, carrying a bonus of 20 per cent. of stock. They are redeemable after five years at $110. This is part of an authorized issue of $150,000. The company manufactures automobile tires, tubes and valves.

A GOOD BANKING SYSTEM

VANCOUVER.—In the opinion of Leon J. Ladner, member of the Commons for Vancouver South, Canada has one of the best banking systems in the world, this having been indicated during the recent inquiry into the Bank Act of parliament. Mr. Ladner holds the opinion, however, that the system could be improved by a reserve bank.

CANADIAN ISSUE OF NOTES OF GAS CO. OF EDMONTON

American and British Capital in Public Utility Project

From Our Own Correspondent

MONTREAL. — Some Canadian financing is being arranged for the new gas company in Edmonton, the Northwestern Utilities, Limited, and approximately $200,000 of notes of the parent company, the Southwestern Utilities Corporation, are being sold in Canada by the Sterling Bond Corporation to help finance the development. The notes are part of a total issue of $1,700,000 of three-year notes, most of which have been placed on the American Pacific coast. British capital is also going to be invested in the enterprise, THE FINANCIAL POST is informed.

Edmonton, a city of 60,000 population, is the only city of its size in Canada or the United States which is now without natural or artificial gas. A distributing franchise has been granted to the Northwestern Utilities, Limited, which is now constructing a pipe line from its properties in the Viking Field and a distribution system, it is planned, will be built at once in Edmonton. It is hoped to be able to make deliveries of gas in time to take care of the coming winter's business.

Notes Are Convertible

The company that will distribute gas in Edmonton is a subsidiary of the Southwestern Utilities Corporation of Independence, Kansas, which produces and distributes natural gas in Kansas. This latter company is issuing the three-year notes in its own name, but they are further secured by the deposit of $2,000,000 of 7 per cent. 15-year bonds of the Northwestern Utilities, Limited, and by deposit of a majority of common stock in Canadian Utilities, Limited. This latter company owns all the Northwestern Utilities, Limited, common stock and also all the common stock of the Princeton Petroleum Company, which owns oil leases in the same territory. It is provided that the notes shall be convertible at any time prior to maturity into the bonds of Northwestern Utilities and it is provided that a bonus of two shares of Canadian Utilities common stock shall be given with each $1,000 bond converted.

Financing Totals $3,250,000

The total amount of the first-mortgage bond issue of the distributing company that will be isssued, including the amount on deposit, is $3,250,000, against properties that will have a valuation on completion of $4,181,406. It is understood that a portion of the bonds will ultimately be placed in the British market.

An area of 50,000 acres of oil and gas leases in the Viking field of Northern Alberta, 80 miles from Edmonton, will be controlled by the company. It is pointed out that the Viking field is one of the largest gas fields on the American continent and covers 200 square miles. The gas and oil rights owned cover 77 square miles, and over 27 miles of this are stated to be proven territory containing 60,000,000,000 cubic feet of gas. The property now has nine flowing wells with an open flow capacity of 36,000,000 cubic feet per day. There are also showings of oil.

Sell a Billion Feet

It is hoped to deliver 1,000,000,000 cubic feet of gas to Edmonton the first year, increasing to over 2,000,000,000 feet within five years. The life of the Viking field, based on an estimated consumption of 2,200,000,000 feet per annum, is given as 25 years.

The rates granted by the Utilities Commission of Alberta provide that the company may charge 46½ cents per cubic feet for domestic use and 30 cents per cubic feet for industrial use, which is estimated to be equivalent to 10 per cent. on invested capital, which will be in excess of $4,181,000.

Lethbridge Out to Collect Business Tax

LETHBRIDGE.—The city will take drastic measures to collect the arrears of business tax. In accordance with this intention, the following resolution has been passed by the council: Whereas certain arrears of business taxes are as yet uncollected; and whereas the tax collector has circularized, and in many cases made personal calls in order to collect the said taxes: Therefore be it resolved that the tax collector be authorized and instructed to collect by suit or the proper legal process in co-operation with the city solicitor.

BOND MOVEMENTS OF THE WEEK

Week Ending August 14th.

BONDS—	Int. Rate	Due Year	Yield	Range 1922 High	Range 1922 Low	Range 1923 High	Range 1923 Low	Latest Price Ask	Latest Price Bid	Week End High	Week End Low
Can. Cement	6	1929	5.52	100¼	94	103	100	—	101	102½	—
Quebec Rly.	5	1939	7.10	87¼	65½	82	69	80¼	80	80	—
Wayagamack	6	1951	7.40	88¾	71¾	86¾	80½	83⅛	—	83½	83
Can. Bread	6	1941	6.04	99	98½	100	96	99½	—	99½	99¼
Asbestos	5	1942	5.90	100	76	90	85	88	—	89½	85
Can. Car.	6	1939	5.94	101	95	100¼	99	—	99½	100½	—
Dom. Textile	6	1925	5.88	101	97¼	100½	100	—	—	100¼	—
Penman's	5	1926	6.27	—	90	97	93¾	—	—	96½	—
Can. St. S.	5	1943	6.72	—	—	—	—	81	79½	81	79¾
War Loan	5	1925	4.76	96.30	96.10	100.95	99.10	100.70	100.60	100.50	100.20
Ditto	5	1931	4.77	99.60	96.25	103.80	99.80	101.25	101.15	101.63	100.75
Ditto	5	1937	4.74	101.50	99.50	103.30	102.00	102.45	102.35	102.55	102.00
Victory	5½	1923	5.10	100.70	98.75	100.95	100.00	100.35	100.25	100.25	100.00
Ditto	5½	1924	5.04	100.75	98.00	101.40	100.25	100.80	100.70	100.70	100.30
Ditto	5½	1927	4.77	102.70	99.75	103.50	102.35	103.00	102.90	102.90	102.50
Ditto	5½	1933	4.70	104.35	101.25	106.70	104.40	105.55	105.45	105.95	105.20
Ditto	5½	1934	5.18	101.35	98.80	103.90	101.30	103.15	103.50	103.00	102.80
Ditto	5½	1937	4.75	106.25	103.00	108.45	106.50	107.75	107.65	107.90	107.55
Ditto, Renewal	5½	1927	5.11	101.10	99.40	102.80	101.00	101.75	101.50	101.70	101.00
Ditto, Renewal	5½	1932	5.17	101.00	99.70	103.00	101.00	102.45	102.25	102.50	102.40

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SALES AND INCOME TAXES LOOM LARGE IN ANNUAL BUDGET

Says Former Shifted to Consumer, Latter Not Ideal Substitute

A comprehensive outline of the changes in the revenue of Dominion government since 1913, and the sources from which it is derived, is given by Professor H. R. Kemp in an article published by the Citizen Research Institute of Canada. Commenting particularly on the changes brought about by the rapid rise in the cost of government, he says:

"Up to the Great War, the customs and excise revenues constituted the chief resource of the Dominion Government for general purposes. Postal and railway receipts were mainly absorbed by the cost of administering these services. In fact, customs and excise, together with the revenue from Chinese head tax, were the only revenues classified by the Department of Finance as taxes. In those happy days, we might still describe our government as being cheap. In 1913, the ordinary expenditures of the Dominion Government were $14.89 for each inhabitant; those of the provincial governments averaged $7.08, while both together (eliminating duplication) they amounted to $20.22. In 1920, the latest year for which full comparative figures are available, the ordinary expenditures of the Dominion Government had risen to $35.20, those of the provinces to $10.24, and both together to $44.11 per capita. In 1922, the ordinary expenditures of the Dominion Government had risen to $38.76 per capita, two and a half times as much as in 1913. Putting these facts in another way, we may picture the average family of five as paying $250 a year for the cost of Dominion and provincial government. The high cost of government in Canada may be further shown as follows: In 1922, the ordinary expenditures of the Dominion Government were in excess of $435,000,000. Those of the provinces (avoiding duplication) were $88,000,000 in 1920, and certainly more than that in 1922. Those of municipalities of 10,000 inhabitants or more were $171,000,000 in 1920, and probably more in 1922. From this it appears that, taking everything into account and excluding duplications, the people of Canada were paying in 1922 well over $700,000,000 a year for the various services of government.

"This is not surprising when we remember that we are administering half a continent; that with little more than the population of Greater London, we are maintaining ten legislatures, with more than 750 legislators (to say nothing of the Senate), as well as all the administrative machinery connected with them; that we now rejoice in a net debt of two billions and a half, or about $1,300 per family, largely due to war, and pay about $135,000,000 annually in interest on this debt; and that we now own various railways which may still be regarded as in the category of infant industries. If it were desired to explain the heavy expenditures of government in Canada, many other curious and interesting facts might be presented—the rise of prices, the increase in services rendered—but all this helps to add new terrors to the tax collector and make the lot of the Minister of Finance a still more unhappy one.

"To meet the increased expenditure which has followed the war, the Dominion Government has profited slightly by increases in the yield of customs and excise duties, but it has chiefly relied on the group of new taxes classified as war taxes, which now together yield more than customs and excise duties combined. The chief war taxes were those on income, sales, business profits (which, though now abandoned, is still bringing in arrears), special taxes on banks, trust and loan companies, and insurance companies, stamp taxes on cheques, notes, receipts, etc., and a series of special excise duties on automobiles, tea, jewellery, records, piano players, matches, playing cards, phonographs, moving picture films, confectionery, boats, cameras, chewing gum, pianos, organs, etc., firearms and shells, lighting fixtures, perforators, alcoholic beverages—a list which reflects credit on the ingenuity of the various officials who are responsible for it. Most of these taxes have been criticized. The stamp taxes on transactions were and are found to be burdensome and vexatious; the list of luxuries subject to tax was thought to include some necessities; and the protests of business people were successful in bringing about the abolition of the business profits tax and some of the luxury taxes. Discussion has, however, been chiefly centred upon the income tax and the sales tax. In 1921-22 the total Dominion revenue from taxation was about $320,000,000, approximately $36.40 per inhabitant. Of this sum, $12.20 came from customs duties, $4.18 from excise, $8.95 from income tax, $7.00 from sales tax, $2.59 from arrears of tax on business profits. Such are the main lines of the existing system of Dominion taxation. Despite heroic increases, the budget does not yet balance, and it is not known what new plan the Minister of Finance may be contemplating."

Professor Kemp then discusses at some length the developments of the sales tax and concludes:

"The general conclusion from the preceding paragraphs may be summarized in two or three sentences. The sales tax will tend to be shifted to consumers. It will fall upon the taxpayers, therefore, not in proportion to their income, but in proportion to their expenditure on goods for consumption. They will largely avoid the payment of sales tax on that portion of their income devoted to investment. Persons who have small incomes and who are obliged to spend most of their earnings on the necessities of life will pay sales tax on nearly all their income, except so far as they are protected by the exemption of foods and fuel from the tax. Those persons, on the other hand, who enjoy larger incomes, out of which they spend only half on consumption and invest the other half, will be paying sales tax on only one-half of their income; for they will probably be successful in shifting the tax in so far as it affects their investments. The larger the income, the larger the amount paid in sales tax—but the larger the income, the smaller the percentage of that income paid in sales tax."

In comparison with the results of this tax, he points to the distribution and growing revenue from the income tax. He asserts:

"A steeply graduated income tax would represent the opposite tendency to a sales tax; but in comparing the merits of the two taxes, it must be remembered that we are not dealing with an ideally perfect income tax, but with the new and somewhat imperfect instrument available in Canada. The yield of the Canadian income tax has been steadily increasing, as the following figures show:—

Yield of Canadian Income Tax in Thousands of Dollars

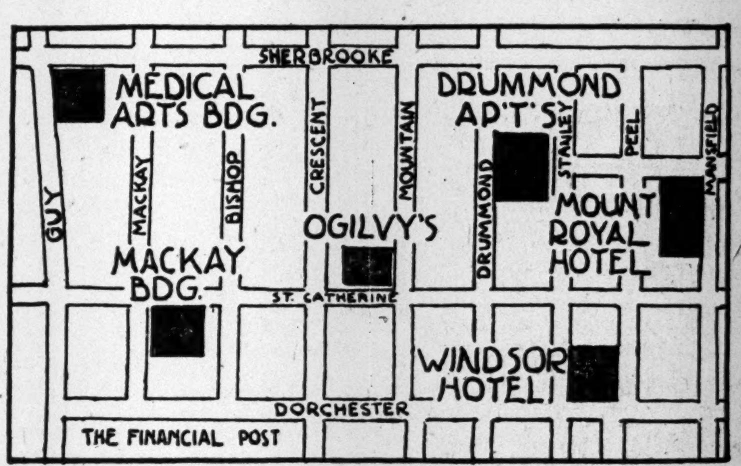
1919	9,350
1920	20,264
1921	46,382
1922	78,393

By comparing the results in Canada and the United States, he illustrates that the income tax cannot yet be considered an ideal alternative for the sales tax, since considerable evasion is still in evidence.

Many Big Buildings Financed Through First Mortgage Bonds

Within a period of a little over a year no less than six buildings within a small area of uptown Montreal have been financed by the sale of first mortgage real estate bonds. In most of the instances private investors have been asked to purchase the bonds, an indication of the growth of popularity of this type of security in Canada. This map indicates the structures on which the first mortgage bonds have been sold.

MONTREAL. — Putting up big mortgages in small parcels for the dual purpose of providing the funds to build large structures and of providing good investments for popular subscription is rather a new business in Canada. It is only two or three years since real estate mortgage bonds were in the nature of a novelty in Canada, so far as the average small investor was concerned. Many buildings had been bonded in the past, but the bond issue was little more than a first mortgage, for the bonds were usually placed in a single block with a large insurance company or loaning company of some other kind. But during the past year or two there has been a really substantial development in this type of investment and many smaller investors now hold in their safety deposit boxes scraps of paper that represent an interest in the first mortgage on a large hotel, an apartment house or office building.



Many Buildings Together

In a small area of uptown Montreal no less than six important buildings have been financed in a period of a little over a year past by the sale of first-mortgage bonds and in some cases additional securities junior to the "firsts." There have been others in Montreal, as in Winnipeg, Toronto, Halifax and Vancouver, but nothing could be more significant of the rapid rise to popularity of this type of financing and the kind of investment that grows out of it than that there should be within the space of not much more than a year six buildings within five minutes' walk of each other bonded either to pay for the actual construction or for extensions.

These buildings are the Medical Arts Building, the Keefer Building, the Drummond Court Apartments, and the Mount Royal Hotel, which were all new structures, and the Windsor Hotel and Ogilvy's department store, which were mortgaged and the bonds sold to provide money for important extensions and similar purposes.

Two by One Firm

Of the Mount Royal Hotel, $4,000,000 of first-mortgage bonds were sold and these were placed in a lump sum with the Metropolitan Life Insurance Company of New York. But a large block, $7,000,000, of debentures, convertible into preferred stock, was sold to a wide list of investors, chiefly in Ontario. The firm of W. A. Mackenzie and Company, of Toronto, handled the financing.

The same investment house is now offering $750,000 of first-mortgage bonds of the Keefer Building, which is being erected on St. Catharines Street within the small uptown area mentioned.

Offices For Professional Men

Another building that was financed by the sale of a first-mortgage bond issue was the Medical Arts Building, which was erected to provide offices and professional services for doctors, dentists, etc. This building, at the corner of Guy Street and Sherbrooke Avenue, was bonded to the amount of $900,000 of first-mortgage bonds, which were sold through Battles and Company, Philadelphia investment house.

Early in the present year a new issue of bonds of the Drummond Apartments was offered to refund an issue already existing and to provide sufficient money to enlarge the apartment by the addition of a new and larger wing and to make it the largest apartment house in Canada. A total of $2,000,000 of first-mortgage bonds was issued by a syndicate headed by the Royal Securities Corporation.

Bonds to the amount of $800,000 were sold of the Ogilvy Realty Corporation, a company formed to hold the property of Ogilvy's department store. The bonds were sold in November and December last by A. E. Ames and Company.

At the end of the year the Windsor Hotel passed into new hands and the new owners decided to enlarge it considerably and re-decorate the entire interior of the old structure. Partially to pay for these changes and partially to reimburse the owners for the capital spent in acquiring the property, a bond issue of $2,500,000 was made and offered by Nesbitt, Thomson and Company, Hanson Brothers, and Rene T. Leclerc, Inc.

It might be pointed out that in this same restricted area a number of buildings exist on which first-mortgage bonds have been sold at previous dates. Such are the Ritz-Carlton Hotel, the Drummond Building and the Linton Apartments.

MINIOTA SCHOOL COST MODERATE

Solves Problem of Education for Rural Municipalities; System Praised at Trustees Association

That the cost of a system of municipal school boards, such as is being operated at Miniota, in the northern part of Manitoba, is not excessive in comparison with the results attained, is demonstrated by the results already attained. This rural municipal school board, which has been functioning since 1919, has so far been a success. Allowing for the tract taken up by an Indian reserve, and for a small portion in union districts, this board has jurisdiction over the whole municipality, an area of 246 square miles. In this area are four village schools, Miniota, Beulah, Arrow River and Isabella, and four one-roomed schools. The board is composed of 12 members, two from each ward, and has charge of all the schools. A superintendent and 18 teachers comprise the staff, and schooling is provided up to and including Grade XI.

The tax rate for 1922 was: special school rate 13 mills, general school rate 5.2 mills. An average assessment on cultivated lands in the district is about $2,700 per quarter-section, and the special school taxes average between $34 to $35 per quarter. This levy provides the usual school expenses and for transportation for pupils in both elementary and high schools; furnishings and equipment and pupils' supplies included. It also includes the provision of a supervisor and attendance officer.

In the towns and cities the centralization of population eliminates many of the difficulties found in sparsely-settled districts. For this reason, the new plan has attracted wide attention. It received special attention and praise for its practical application from Allison Glen in his presidential address at the annual meeting of the Manitoba Trustees' Association.

Tenders and By-Laws

Aug. 20, St. Moise, Que.—$10,000, 6% 10-year debentures. Jos. Dufour, Secretary-treasurer.

Sept. 1, County of Peel—$18,000, 5½ per cent., 10-instal. debentures. L. H. Willis, County Clerk, Brampton.

Aug. 20, Three Rivers—$240,500, 5½ per cent., 20 and 30-year debentures. Arthur Nobert, Treasurer.

Montreal By-Laws

MONTREAL—By-laws totalling more than $14,000,000 have been passed by the City Council of Montreal for various public works and improvements. This authority was given for the borrowing of $4,000,000 for working capital for local improvements.

IS WEEKLY PASS MUCH BENEFIT TO STREET RAILWAY?

Idea Only Adopted in a Few Large Cities As Yet

Some interest has been displayed recently in considering the advisability of street railways issuing weekly passes at a level price, entitling holders to unlimited rides during the week. Reports indicate some measure of success in certain municipalities where the plan has been adopted. On the other hand, well-known transportation experts do not look with favor on it, especially in the larger municipalities.

The weekly pass was first introduced in the United States at Racine, Wisconsin, in 1919, in order to facilitate safety-car operation by lightening the work of the conductor through cutting down the number of transfers, tickets and cash fares that he would have to handle. A second reason for introducing the weekly pass was to equalize the long and short rides in a city where it was not feasible to introduce the zone system. The pass was sold at 18 times the ticket rate of 5.5 cents, or approximately $1. It was made good for a week and was transferable. It proved successful from the start and now brings in about 20 per cent. of the revenues and furnished one-third of those riding in that city.

The use of the pass has since been taken up by a number of other street railway companies located in Youngstown, Kenosha, Wisconsin; Tacoma, Washington; Terre Haute and Fort Wayne, Indiana.

It is argued that, aside from two rides a day in rush hours, the passholder takes the rest of his rides when traffic is light. These rides are usually taken when he is bent on amusement, at which time he is usually accompanied by some one else.

This means one or more additional cash fares to the railway company. Supporters of the plan claim that every holder of a pass has been found to be a business getter for the company and brings in from three to five fares a week.

On the other hand, transportation men have, in cases, turned down the plan after mature consideration. One well-known official, in condemning it, says:

"The Weekly pass has been used, according to the latest available returns, in something less than 30 cities, of which only three have a population of over 100,000, Chicago, Ill.; Tacoma, Wash.; Youngstown, Ohio.

"It was found in the long run that the weekly pass failed to produce a revenue that would yield a fair return. In general those people who used the railway oftener than fifteen times a week availed themselves of the pass and those who rode less frequently paid fare by cash or ticket. If all the passengers had bought passes the profit on the occasional rider would have balanced the loss on the frequent rider, but as it was, the railway lost on the latter and failed to gain on the former. The actual return per revenue passenger was less than seven cents and was steadily decreasing at the time the pass was withdrawn.

"The transfer feature of the pass deprived the railway of many fares. In one case several barbers employed in the same shop arranged their lunch hours so that one pass sufficed to take them all home for the mid-day meal and bring them back to work again. Canvassers, telegram delivery boys and others engaged in similar occupations used the pass to secure a large number of rides at an extremely low rate. The proprietor of two moving picture theatres located some distance apart on the same street car line and each giving three performances a day bought a pass for the messenger boy so that he could carry the films from one theatre to the other. The boy travelled forty times a day on week days and eighty times a day on Saturday and Sunday. By using a weekly pass his average fare came to a fraction of a cent."

It would appear that the pass is best suited for use in small cities, probably those of about 50,000 population. In such towns, an increase in fares will cause a loss of revenue because distances are short and people will turn from the cars to walking or the use of motor cars.

As against the abandonment of the plan by Youngstown, there is the fact that in Tacoma over one-third of the total revenue comes from pass rides. In opposing the plan, another authority says:

The fact that purchasers of the pass are largely those who are frequent riders and that there is an increased use of the transit facilities in off peak hours is not a strong argument. The weekly pass was established on the theory that the holder must use more than 12 rides a week to make it advantageous to buy a pass. This disposes of the contention that its use by occasional riders is necessary for successful operation. As for increased use of transit facilities in off peak hours, this is one of the purposes sought to be accomplished. A Cleveland railway official has informed the Institute that he could carry passengers for a 1 cent fare and make profit if they rode in off peak hours.

Where the pass has been in use there has been little or no reduction in full cash fares. The pass riders are recruited largely from those formerly buying reduced rate tickets and an increase in off peak hour travel by these buyers is a source of no lost revenue or higher operating costs to the companies.

RAILWAY EARNINGS

The gross earnings of the Canadian National Railways for the week ending August 7th were $4,856,035, being an increase of $232,934 or 5% as compared with the corresponding period of 1922.

The gross earnings of the Canadian National Railways from January 1st, 1923 to August 7th have been $142,642,931, being an increase of $16,110,475, as compared with the corresponding period of 1922.

The earnings of the Canadian Pacific Railway for the week ending August 7th were $3,498,000, showing an increase of $3,285,000 over the same period of last year.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Aug. 6	Three Rivers	A. E. Ames & Co., Toronto	5½%	30-yr.	$35,000	99.84	5.51
Aug.	Outremont Protestant School Commission	Beausoleil & Co., Ltd.	5½%	20-yr.	260,000	98.79	5.60
Aug.	Magog, Que.	Municipal Debentures Corp.	5½%	30-inst.	40,500	98.50	5.63
Aug.	Acton Vale, Que.	Rene T. Leclerc, Inc.	5½%	40-inst.	25,000	97.62	5.69

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INSURANCE FOR BUYER AND SELLER

DUTY OF ASSURED CONTINUES AFTER PREMIUM IS PAID

Complications Where More Than One Fire Policy Exists

Have you fire insurance in more than one company? If so, have you informed each company fully of what amounts others are carrying? Unless you have, your policies are only worth 60 per cent. of their face value, and you are throwing money away. This is a warning which should be echoed to every property owner because, in spite of the wide use of fire insurance, many find themselves involved in disputes and occasionally in litigation after a fire, due largely to mistakes in procedure which they themselves have made, and ignorance of fire insurance requirements. It is surprising how generally the idea prevails that, when the premium for the policy has been paid, the obligations incidental to the insurance are entirely on the side of the company. The policy of the companies has always been to avoid litigation wherever possible, even at considerable loss, on account of the adverse publicity. There is evidence that they will show more resistance to improper claims in the future and insurers would do well to bear in mind certain duties imposed on them or, at least, require from their agents complete information concerning their policies.

In Canada, laws have been passed for the protection of the insurer and insured. These have been consolidated in the various insurance acts, in which "Statutory Conditions" are laid down. Any variations from these must be printed on a policy in conspicuous type and in red ink. Experience has led wise insurers to avoid policies with too many variations. The statutory conditions fall naturally into three divisions.

Duties of Assured

In the first place, the obligation definitely rests upon the assured to correctly describe to the company the risk which it is undertaking; otherwise the insurance upon the property which has been misrepresented forthwith becomes null and void. "For example: a saw mill may not be described as a carpenter shop nor a building in which flour is ground simply as a storehouse." In this connection the application for insurance should always be read over and signed by the applicant, for the application is the basis of the contract. Should the hazard be increased during the currency of the policy, the assured is required to promptly notify the company, and the insurance may be continued or not at their discretion. Each company insuring a risk must be kept fully aware at all times of any insurances in other companies on the same risk. If the assured, even through carelessness, does not keep his companies fully informed on this point, his policies are worth only 60% of their face value. It is of vital importance that the assured's policies be checked over, when new insurance is placed, to make sure that the wordings are concurrent and that permission has been granted for all the insurance that is carried.

Company's Liability

The companies do not insure money, books of account or securities. There is no liability for loss on property belonging to another person than the assured, or goods left for repair, unless it is so stated in the policy. The company need not recognize a claim for loss caused by a stovepipe chimney unless explicit permission for its use has been granted. If a suit of clothes is scorched in the process of pressing, the company is not liable for the damage. Workmen may not work on altering or repairing any premises for more than fifteen days without written permission from the company. If oil or oil-products are kept on the property of the assured, the company's consent must be given in the policy, except that refined coal oil for lighting purposes to the amount of five gallons may be kept.

The company is responsible for loss or damage caused by lightning whether it so stipulates on the face of the policy or not. It will make good damage caused by the explosion of coal or natural gas. But an explosion of any other kind is not covered by the policy. The Statutory Conditions release the company from responsibility for loss resulting from the bursting of frozen water pipes inside a kitchen range, excepting damage caused by fire which may follow the explosion. If the short-circuiting of the current in an electric iron caused fire, the company is not liable for damage to the iron itself. The fire must originate outside the iron before liability for the iron is acknowledged. The same applies to all electrical appliances.

Cancellation

The policy may be cancelled at any time by the company by giving seven days' notice in writing to the assured and returning a pro rata proportion of the premium. The policy may be cancelled at any time by the assured by surrendering his policy. The premium returned to him in this case will be calculated on the short term basis.

Building contents partially damaged may not be abandoned unless the company has first given its consent. In case of removal to prevent further damage, the company will indemnify the assured for the cost of salvaging his property; and for seven days the policy will cover the property insured in the new locations in proportion to the value of the property in each. The assured must immediately notify the company of his loss, and furnish a statutory declaration of the circumstances, cause and extent of the fire and any other pertinent information required by the adjuster. Any fraud or false statement will prejudice the claim. If the claimant and the company cannot arrange a satisfactory settlement, and a single arbitrator cannot be agreed on, each will appoint a representative, and these two jointly will select a third. The claim will then be arbitrated in accordance with the procedure of the Arbitration Act. The loss becomes payable within sixty days of adjustment, but the company will, as a rule, issue its cheque well within the time allowed.

While all well managed companies do not insist too strongly upon strict compliance with all the statutory requirements when satisfied with the honesty of the loss, those holding insurance should see that applications and policies are in proper order so that they will not have to depend upon the goodwill of the company to waive irregularities.

NEW FRAUD POLICIES COVER MANY LOSSES

Designed Especially For Retailers, is Issued Only For Small Amounts

Many business men have neglected to secure any of the various classes of indemnity insurance, largely on account of the limited cover afforded by each class, and the technicalities connected with it. This objection may be partly met by a new "Fraud Bond" being issued in the United States and Canada by the National Surety Co.

The bond offers by far the widest fraud coverage ever afforded, and one of the clauses gives protection against 50 per cent. of any loss from fraudulent checks drawn on banks in or within fifty miles of the holder's city, if not paid on presentation. The National Surety Company will collect as much of the check's value as possible, return the balance to the bondholder and will have offender arrested.

The new "Fraud Bond" was devised and has been copyrighted by William B. Joyce, chairman of the National Surety Company, in person.

It also covers larceny, embezzlement, robbery, hold-up, safe-blowing, counterfeit money, and general frauds "of any other description," including misrepresentations of merchandise.

The protection afforded by the bond is necessarily somewhat limited, as the premiums on so complete a cover for so large an amount would be prohibitive. It was designed especially for retail merchants or other business men who require protection only for a small amount.

A loss must be reported either during the bond's term or within thirty days of expiration. The surety company may cancel it by giving five days' notice, but remains responsible even during those five days. In such a case all unearned premiums must be returned.

Policies have been issued giving protection against numerous kinds of loss, but this is the first policy ever brought out protecting against checks drawn against insufficient funds or no accounts.

OIL IS REPLACING COAL

BOSTON.—Coal is rapidly being replaced by fuel oil in the bunkering of steamships. Eastern Steamships Lines first used oil from this port, beginning with 32,983 barrels in 1914. This was virtually the only oil bunkered in ships at this port in that year. It was not until 1916 that this form of bunker fuel came into use here in substantial quantities. In that year 135,014 barrels were taken aboard various merchant liners, engaged in both foreign and domestic commerce. In 1917, with war activities curtailing marine movements, the various cargo carriers took on 207,135 tons of coal and only 29,494 barrels of fuel oil.

LICENSE SYSTEMS GIVE PROTECTION TO POLICYHOLDERS

Legislation a Factor in Assuring Safety of Canadian Insurance

When solicited to purchase insurance of any kind, the first question which rises in the minds of shrewd business men is whether the company proposing to carry the risk is licensed by the insurance department. Men of experience realize the many hazards which enter business and attempt to provide for them. This is the factor which moves them to purchase insurance, but the value of their action is largely destroyed unless the safety of the insurance company is assured. In Canada, all branches of insurance have been developed on a basis which minimizes the risk of failure, and Canadian policyholders have seldom suffered losses on this score.

In this development, legislation has played a large part. The inherent nature of funds handled by an insurance company is that of trust money. The degree of regulation deemed necessary has varied widely. In England, supervision and regulation have been reduced to a minimum. On the other hand, in the United States and Canada an increasing flood of legislation has been placed on the statute books. So great has this become that company executives complain that it seriously hampers their business and raises their cost of doing business, this in turn being reflected in the premiums charged. The present regulations were severely criticized by Robert L. Luce, former justice of the New York Supreme Court, before the insurance section of the United States Chamber of Commerce. He said:

"State regulation, originally instituted for the purpose of assuring to the public the solvency of the insurers and the validity of their contracts and latterly extended to protect the public against the possibility of discrimination and excessive rates, has become an obsession in many quarters and seeks to interfere in almost every detail of the private management of this highly specialized business.

"Legislation authorizing appointing officials to dictate the exact phraseology of forms and even specifying the size of type in which such forms and clauses and the policies themselves shall be printed, stipulating how many agents a company may employ in one locality, and what compensation shall be paid to them, prohibiting the employment of agents already engaged in specified kinds of business. Dictating how the companies' advertisements shall be worded, requiring them to act as assistants to State officials charged with the investigation of fires by making reports on each individual loss claim, charging them with responsibility for premiums in the hands of persons never employed by or authorized to act for them, putting them to much confusion and heavy expense by requiring them to keep records of their business in minute detail as prescribed by various State officials wholly at variance with one another, naming on the other hand a time within which losses must be paid and on the other hand forbidding the payment of such claims in less than the time specified—this is illustrative of the extent to which such regulation has already advanced."

What he says of United States' conditions has been said of those in Canada. The companies are required to furnish details of their operations to the insurance departments. One difficulty is that the schedule forms supplied by the provinces differ to some extent, involving extra work which might be avoided.

On the other hand, the system of government supervision has eliminated, as far as possible, the chance of failure. This, in itself, is a triumph for Canadian insurance as it satisfies the policyholder that he has purchased safety. We have in Canada a department of insurance operated under a branch of the Dominion government. In addition, most of the provincial governments have insurance departments. Canadian companies must be licensed by either the Dominion or one of the provincial departments; outside companies by the federal department. Before securing a license, a company must make a deposit with the department, varying from $10,000 to $100,000, according to the classes of insurance written. This serves as an extra security to policyholders, in addition to the prescribed actuarial reserves against the risks taken. The latter must be maintained in accordance with tables recommended by the department, and officials of the department must inspect the companies to see that this is done. In view of this, the first consideration of a prospective buyer, independent of cost, is whether the company in question is licensed by the department. The insurance contract is in itself a complicated document and without the services of an insurance department to supervise the business, it is doubtful if many insurers could discriminate between sound and unsound organizations.

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Difficulties at Death of Partner May be Solved by Life Insurance

If your partner should die, it is very probable that you would find yourself facing two difficult problems. You and his widow (or her lawyer, relatives, or advising friends) would have to determine the value of his interest in the business.

It is not an easy task for two partners, both familiar with the business, to determine the value of their respective shares. It is even more difficult to reach a fair adjustment with people who know nothing about the facts of the case, and are slightly suspicious of those who do.

You would have to raise enough money to pay his heirs their share in cash. No matter how enthusiastic a man may have been about his business, and no matter how willing he was to invest his money in it, when he dies, his heirs almost invariably want his share in cash as soon as possible.

Not infrequently the life of a firm depends upon the successful solution of these two problems. Partners are seeking solutions to this ever-present danger, in an attempt to increase the permanency of their business. This attitude has been responsible for the rapid increase in the volume of business life insurance written. In most cases separate policies are written on the life of each partner; the premiums are payable by the firm and in case of one dying, the proceeds of the policy are paid in to the firm, forming a ready sum of cash to reimburse the heirs of the deceased for his share in the business, and strengthening the firm's credit at a time when every creditor is carefully watching for possible losses. An alternative, where funds for premiums are scarce, is to purchase a joint policy on the lives of the partners. A look over the mortality records of businesses will readily impress on any partner the desirability of providing for such contingencies.

Even in stock companies, where the death of one man is not likely to have the same effect as in a partnership, business life insurance is growing. In the past few years business men have suddenly awakened to the realization that the most valuable asset a business can have is able management. Sufficient working capital; up-to-date equipment; ample labor supply; available markets—all these are important factors. But companies enjoying all these advantages have failed to succeed because the management was weak; while other companies, lacking one or more of these factors, have pulled through to success, because the men at the helm were equal to the task.

Business men are now beginning to appreciate that if it is important to insure buildings, equipment, and inventories against fire, explosion, and other hazards; if it is necessary to carry compensation insurance on the employees, so that death and injury claims arising from a disastrous accident will not bankrupt the company it is equally important to protect the company against the financial loss that it would suffer if one of its most valuable assets—one of the men responsible for its success—should be suddenly removed by death.

Satisfactory Crops In Eastern Canada

Generally satisfactory reports of agricultural conditions in Eastern Canada continue to mark the Bank of Montreal's weekly service.

Quebec.—In Montreal and the Eastern Townships Districts the yield of hay is heavy, in other districts it is below average. Grain and roots promise good results. Potatoes in satisfactory condition. Apples below average. Pasture is good in Montreal and Eastern Townships Districts, but rain is needed generally.

Ontario.—Crops in some localities are suffering from drought and rain is urgently needed. Hay and fall wheat practically all harvested. Yield heavy. Barley and oats have ripened rather prematurely owing to hot weather, and the corn crop may be lighter than was expected. Corn has made rapid growth the past week. Roots are making satisfactory progress. The yield of fruits is up to the average. Pasture requires moisture.

Maritime Provinces. — Weather conditions favorable for all crops. Hay in New Brunswick a light crop; in Nova Scotia it is well above average. Potatoes in New Brunswick show improvement, due to recent rains, and average yield is now expected.

CRIMINAL ACT VOIDS AUTOMOBILE POLICY

Action or Collision Insurance Companies Seldom Resist Legitimate Claim for Damage

A legal action to determine whether an automobile policy, protecting the owner from loss through collision, covers damage as a result of running against the side of a hole or rut, has occasioned some comment. The action was tried in the Appelate Division of the Supreme Court of Ontario, the parties thereto being Sowards and the London Guarantee & Accident Company.

The policy, as is usual, stated that it covered loss or damage from collision with any other automobile, vehicle or object. The court had to determine whether the fact that the car ran into a rut in the highway and overturned, could be construed as hitting an object.

In the course of the litigation it was made clear that the insured cannot claim indemnity for his own criminal act, but he may be indemnified for loss occasioned by the illegal act of a third party. On the principal point in question the court decided that the insured was entitled to recover for the loss. However, this decision was reversed on appeal to the Supreme Court of Canada in March of this year.

While no definite ruling has been laid down which may apply to all similar accidents, where loss is occasioned through no fault whatever of the insured, he is entitled to secure payment of a claim. In such cases it is extremely unlikely that any company would resist a claim, especially as legal disputes result in adverse publicity. On the other hand, when the insured is definitely at fault—it may be speeding or driving carelessly—he cannot expect a company to reimburse him for loss, as the root cause of the accident is launched when the excessive speed or carelessness begins.

Eastman Kodak Company, Rochester, N.Y., made its annual distribution of share in profits to its 15,000 employees, amounting to $1,700,000.

SMUGGLERS FACING AN OFFICIAL WAR

Campaign Against Them May Unearth Quite a Scandal

From Our Own Correspondent

OTTAWA. — The announcement that the customs and excise department is to begin a vigorous campaign to check smuggling from the United States was not unexpected. Those in mercantile business, as well as customs and excise officials, have long known that large quantities of dutiable goods are being brought into the country without paying duty. According to the announcement, much importance is attached to the smuggling of tobacco and cigarettes. No doubt much of this is being done, one of the best evidences of this being the fact that the government admitted last session that the high duties were defeating the intention of the collectors.

There is, however, much smuggling of other products. This applies especially to silks. According to all accounts, a large number of those who smuggle liquor into the United States, on their return also smuggle silk into Canada, the automobile being one of the leading means of conveyance. Most of this seems to be done across the line into Quebec. That more has not been heard about it in the press is said to be due to the difficulty in securing convictions.

With the new vigilance manifested by the customs and excise officials in checking smuggling generally, it would not be surprising if a big scandal were unearthed in this connection, the official stories of the smuggling of liquor into the United States now appearing in the American press indicating that those engaged in these operations are most skilful, daring and desperate characters.

NEW PLANT FOR BELLEVILLE

BELLEVILLE.—The Marvel Equipment Co., Cleveland, Ohio, has definitely decided to locate their Canadian branch in this city and has secured factory space. This company will at first manufacture here only their line of gasoline pumps, but will later add steel drums for carrying gasoline, oil and alcohol, as well as other allied equipment.

THE BASIC CAUSE WHEAT TROUBLE BEING IGNORED

Attacks on Railroads and Speculators Do No Good

ADJUSTMENT NEEDED

Agriculture Like Some Other Industries is Still Suffering In Post-War Adjustments

Special Correspondent.

NEW YORK.—The recent sharp decline in the price of wheat has furnished an outstanding example of the hardships which lack of balance in the commodity price structure entails, states the current issue of the Guaranty Survey, published by the Guaranty Trust Company of New York.

In this instance, the Survey says, not only is the depression of the value of wheat a major factor in the general economic situation, but the discontent engendered is reflected in various schemes for relief which could only prove futile or mischievous. As is usually true in the face of such a dilemma as now confronts the wheat growers, there is a disposition to ignore the fundamental economic aspects of the difficulty and to strike out more or less blindly at imaginary causes.

What is needed in the framing of policies and measures of relief for the producers of wheat is a frank recognition of the conditions which have made necessary a post-war readjustment of the producing activities of farmers, as well as of other producers in this country. Wheat growers are not alone in their subjection to the vicissitudes of costs, prices and markets. To centre their attack upon speculators, railroads, and "the interests" is to ignore the basic causes of the present situation.

World Market Rules

No scheme for harassing the speculators, no resort to cheap credit, government price fixing and hoarding of the commodity, or browbeating of the railroads, can abolish price determination in a world market. After the worst that can be done in these directions, it would still be necessary for the production of wheat in this country to be adjusted to the world market situation.

There can be no doubt that the American wheat growers, as a body, are in an exceptionally unfavorable position. With wheat selling in Chicago at around a dollar a bushel, and the farm prices in Kansas and Nebraska about 80 cents, it appears that without a material advance in price a considerable part of this year's wheat crop may be sold for less than it cost to grow it.

And while the price of wheat has been falling, other prices as a whole have been rising until very recently. It costs more now to raise a bushel of wheat than it did a year and two years ago. Labor is scarce and expensive. Farm hands have been lured to the cities by the prospect of high wages. The prices of most of the commodities which the farmer has to buy, both in producing his crops and in maintaining himself and his family, have risen.

Adjustment Advisable

A basic readjustment either of relative demand or of production is called for. Anything that may be done to accelerate the processes of general economic recovery in Europe with consequent revival of demand there for foreign foodstuffs, would afford a measure of durable relief for wheat growers in this country. It appears, also that the farmer's difficulties have been accentuated by tariff rates which are able to raise the prices of many articles consumed by him but which are powerless to raise the prices of his products that are determined in world markets.

But not all the price disparities from which he suffers have their origin in the unequal effects of the tariff rates. Whether with the existing or lower tariff rates, or with no protective duties of any sort, in any event the demand for American manufactures at the present time would be more nearly in conformity with supplies than would be the demand for wheat and other foodstuffs. The relation between the movements of wheat prices and the prices of commodities in general which obtained prior to 1914 was destroyed during the war. The subsequent decline in wheat values has been accentuated by the efforts of important wheat importing countries to become as nearly self-supporting as practicable in the matter of foods. A restoration of something like the former price relationships probably can be effected only gradually.

Economic Forces

Meanwhile the drift of economic forces is tending to shift the production of wheat and other agricultural and live stock products from the high-priced lands of this country to newer and cheaper lands elsewhere. This fact, however, is not sufficient ground for believing that the days of prosperity for American wheat growers are past. Rather, it calls for a recognition of the necessity for resorting only to such measures of relief from present conditions as touch the fundamental economic factors.

BRITISH INDUSTRIES FAIR

The British Industries Fair, which is operated by the British Government Department of Overseas Trade, and is now the largest annual trade fair in the world, will be held at the White City in London, from 28th April to 9th May, 1924, and at Castle Bromwich, Birmingham, from 12th May to the 23rd of that month.

Want Catalogues to Come Into Canada Duty-Free

From Our Own Correspondent

MONTREAL.—Objection is taken by the Federation of British Industries to methods of charging duties on catalogs coming into Canada. Catalogs coming into Canada are dutiable at 10 cents a pound when sent in bulk. This involves distribution from Canada by a local agent. If sent individually from Britain, customs revenue stamps must be affixed, which British exporters consider a troublesome system.

They suggest that the revenue derived from the dominions from such imposts is negligible and might be dispensed with. As for protecting Canadian printers, the federation contends that the system does not do that because it is not practicable in any event to send blocks and matter to Canadian printers to set up and print. Local printers, say the federation, would lose no business by a removal of the duty.

The House That Jack Built

(Continued from Page 10)

that develop with the countryside.

Anybody can understand a house.

Here, then, was the House that Jack Built, just a miniature house. You could take it to any individual, a farmer, merchant or manufacturer, or to any gathering of people, a labor union, real estate association or chamber of commerce, and say:

"This is the House that Jack Built. Rather, it is the house that Jack is going to build when he is sure that he can get electrical service. The electric light and power company is working to supply current to over three thousand new customers who have filed applications. It is building a big hydro-electric plant, and a steam plant, and conducting surveys for still another hydro-electric development. Now, if any man in the audience will kindly let me know what his occupation or business is, I'll try to show him where he is interested in this house. It is so dependent upon electricity that every person who finds that he has a bread-and-butter interest in this house will think of it in connection with the growth of electric facilities."

"I'm in the real estate business," says a fellow in the audience.

"Why, you're the man Jack must see before he begins building! Fifteen per cent. of his town-house outlay is for the lot; and if he builds in the country he first must buy a farm. Jack's house represents two or three million dollars' worth of real estate in this country this year."

Other people in the audience come closer to scrutinize the house from the angle of self-interest. The lumber dealer learns that his share is 20 to 30 per cent. of the material, and the contractor, plumber, plasterer, painter, electrician, hardware dealer and others concerned with building learn what percentage of potential business each new house creates for each of them. To the contracting carpenter this percentage can be expressed in dollars, and to the journeyman carpenter in carpenter-man-hours. For the percentage experts have found that material makes up 52 per cent. of the cost of a house, and the remaining 48 per cent. goes to workmen in wages.

"I am an eastern tourist," says a stranger, rising. "In the steel business back home. Your explanation is very interesting, but how does it affect me?"

Helping Themselves

"We find that every dollar people invest in electric light securities is spent for three kinds of equipment. Forty-two per cent. goes into dynamos, steam engines and other apparatus to make electricity. Seventeen per cent. goes into transformers and other apparatus for transmitting electricity and forty-one per cent. goes into distribution devices like meters. If the kind of steel you make goes into any of these things, you have indirect customers here on the Pacific Coast. Anything that checks our electrical development hurts your business. So you have a real motive for helping our electrical growth in any way you can."

And so with other eastern tourists—the investment banker who saw Jack's house in terms of a market for money, the manufacturer who figured it in terms of workers kept on his payroll, the jobber who visualized it in sales of electric fans and curling irons. People in remote states and apparently unrelated industries suddenly saw that any friendly boosting they could do to help Wishon with his service problems was a boost for themselves.

The story was told first to the electric company's employees. It exerted a remarkable effect. Men who had been thinking about electricity in terms of "KWH" suddenly saw that they were making and selling, not kilowatt hours, but a service to every section of the community. Enlightened, they sought to tell the story to others—how the electric utility industry affected every individual in the community, every payroll and every standard of living.

It was found that people with little or no conversational ability, once given the idea, were armed thus with a simple economic law that they could apply to almost any situation, and they became exponents of the idea. The story divested the electrical business of its mystery. It was an easy story to tell because it was basically sound, and it recognized the human fundamental of self-interest. You simply told your story in the other fellow's terms, giving him the general theory, and then pinned it down to his own business or occupation, proving that when you prosper he prospers, and when you are hurt, he is hurt. And there you were!

The Campaign Takes

Up and down the Coast other electric utilities joined in the "self-interest" campaign, and the people of California, taught to think of public utility questions in the light of how the industry affected them, formulated a mass of public opinion that proved tremendously helpful in straightening out many of the after-war tangles that hampered the utilities. But it took the political fight over state ownership last fall to reveal how the idea of the House that Jack Built had traveled.

The first disposition of the utility men was to keep quiet. Some thought the state project had no chance of winning at the polls. Others reasoned that opposition by the utility corporations would prove a boomerang—that the people, seeing the corporations ranged against the measure, would assume that it was a good thing. But the campaign was not long under way when these doubtful utility men changed their minds.

In Wishon's part of the state the farmers had begun to lean strongly toward public ownership. Ten years ago farmers in the San Joaquin Valley were unorganized, and their products sold at a loss. They had seen their business problems solved by co-operative marketing. State ownership seemed to be something in the same line. Proponents of the measure shrewdly preached it as another form of co-operation—carefully ignoring that co-operative marketing represents self-effort in one's private business, whereas the state ownership projects often are mere raids upon the public crib.

When the difference was explained, any farmer could see it. But how could he see it if there was no explanation? And who would present that side of the subject if the utility men didn't?

Furthermore, there became apparent a strong favorable sentiment for state ownership among labor organizations in and around San Francisco, where the self-interest campaign had not been carried. Even more alarming was the apathy of business men, who assumed that state ownership stood little chance of approval at the polls because it was so palpably unsound business.

The Experts Have It

People seldom choose constitutional amendments for light reading. This one ran to four newspaper columns of fine print, buried in a 144-page book of other amendments.

Had he read it, the average citizen very probably would have missed some of the finest points.

The utility men soon quit their policy of watchful waiting and took off their coats.

Beginning with their own employees, the utility executives undertook to persuade the people in California to read the amendment and discuss it. And discussion led them to size up this $500,000,000 proposal just as they sized up the House of Jack—in terms of community growth and their own well-being.

Californians know that their prosperity depends on businesslike development of natural resources. Among these resources one of the greatest is water-power electricity. Privately-owned electric utilities in the state are capitalized at about $500,000,000. Development in the next ten years will require another half-billion. When the people began discussing public ownership as opposed to private ownership, these questions arose in the mind of the average man and woman.

"Who ought to have this job of doubling the state's electrical facilities—the experts who have already done it successfully or political appointees of unknown ability?

"And if we hand it over to the politician, how is it going to affect me? Is it 'Yes' or 'No'?"

On election day the returns revealed a decisive answer. By a ratio of more than two to one, California voters said "No."

OUR NATIONAL MORAL

Manitoba Free Press

No one who knows anything about the national resources of this country and of the world's need for the things that we can produce can fail to have unbounded confidence in the ultimate future of the country. That future is assured regardless of the presence of the great and flourishing country to the south of us. It would be assured if we were surrounded by countries like the United States, for Canada has within herself the making of a populous and prosperous country and her growth and development is a question of time only.

Just how rapid the growth will be, it is impossible to tell as yet. A good deal depends on world conditions, and, on the other hand, a good deal depends on the activity and initative of our government and of our people themselves. Plenty of immigrants of a suitable class can be obtained if we go after them; our resources would be developed faster if Canadians made more use of the opportunities which exist in their own country; and agriculture. the great basic industry, would be far more profitable if improved methods were generally adopted.

At the present time conditions in Canada are gradually but steadily improving. Our international trade is the greatest in our history; the same is true of the national revenue; Canada's credit in the money markets of the world never stood higher than to-day and there is in Western Canada at the present time the prospect of an excellent wheat crop.

There is no excuse for pessimism nor for disparaging Canada as compared with any other country. But there is abundent ground for steady, reasoning confidence in the future—particularly if we do not leave providence to do everything.

Perils Which Grow Out of Criminal Leadership of Labor

SAMUEL HARDEN CHURCH, President of Carnegie Institute, New York.

Recently in Pittsburgh I found myself caught in the rain, but fortunately with an umbrella in my hand. In my hurried steps I overtook a well-dressed man who was carrying a baby, and fearing lest the baby would catch cold I held my umbrella over their two heads, and together we walked to the Pennsylvania Station. The man told me in good language that he was a coal miner from the West Virginian fields, a member of the union, and that although his wages were satisfactory, enabling him not only to support his family decently, but to put money in the bank, he had been ordered out on strike and had had neither work nor strike benefits for three months. He was now forced to live on his savings, although anxious to go back to work. When I asked him why he did not go back he replied, simply, "They would shoot me." He said that neither he nor any of his fellow-workmen had been consulted by their leaders, and that none of them was interested in the strike except to hope that the check-off system would be abolished. When I inquired how many would go back to work under the old conditions if they had the chance, he replied, "All of them except the leaders."

I believe from multiplied evidence that the story of this humble but successful and self-respecting laborer is the story of 90 per cent. of the American working men who are now being buffeted by their leaders into the rage and welter which are paralyzing the industry and destroying the prosperity of this country.

And what hand in all this stricken country is raised to stop them? The Supreme Court of the United States has declared that these unions may sue and be sued. Why are they not sued? Why does not the Attorney General of the United States proceed against them, backed by all the forces of the civilized state? Let me illustrate the question in a new form. Let us suppose that the presidents of all the railroads in America were to serve notice at one time on the American people that the rates of transportation service are too small and that unless those rates are increased within forty-eight hours not a wheel will turn on any railroad in the United States.

These presidents have the power to do that. They would simply have to issue an order to the train dispatchers that at the end of that period no train shall move. The stoppage would be absolute. The very life of the nation would be within their grasp. How long would it be before these executives would be sent to jail? Why, they would be arrested—and deservedly—just as quickly as the warrants could be served, and they would be sent to prison for long terms. But here is a small group of men who have built up such a power over American labor that they are now, by a system of terrorism which is openly based upon pillage, arson and murder, going onward to stop the railroads, the mines and the mills of America, and yet from the President of the United States down to the sheriffs of a thousand counties no hand of justice is raised to restrain them and to punish them.

Sacred Rights of Men

Too much has been said in high places about the sacred rights of men to quit work. All men have that right, and no one has ever disputed it. But a conspiracy to strike so as to paralyze the life of a city, a state or the nation is certainly not a lawful or reasonable exercise of the right to quit work.

The American people do not like things that are too big. Our people have always restrained business when it would grow too big. They would not permit the railroads of the Northwest to consolidate. They brought suit against the Steel Corporation, only to have its consolidation approved and vindicated by our highest court. They dissolved the Harvester group and the Standard Oil group. And now they are face to face with the big brotherhoods and the American Federation of Labor. No sane man will dispute the right of workmen to form themselves into unions. The formation of company unions and of unions which embrace the workmen of a single railroad system would be a just and reasonable exercise of that right. But when all the labor of America is put under the control of one autocratic organization, and when strikes are ordered by that one organization, it is time for the American people to dissolve that criminal enterprise. No government in any country or in any age has ever been able to perpetuate itself when it has tolerated within its dominions a force that is stronger than itself. What we will not allow to capital, what we will not allow to business, we must not—we shall not—allow to labor.

Need of Leadership

How are we to move? We can do nothing without leadership. Yet our leaders are spineless, inert, silent and terrified. Are they afraid of political punishments? If so base a motive keeps them inactive, they should remember that a governor of Massachusetts who dared to defy the striking policemen of Boston so thrilled the American people that they straightway made him Vice-President of the United States. Where to-day is that man who will pursue these wicked and seducing leaders of labor and bring them to punishment?

If such a man will but take the lead he will find the nation at his back, regardless of his political affiliations, and he will thereby be enabled to do a service for the country which will save it from death. For national death is at our doors, and such a leader must come forward quickly if we are to preserve our life.

AID EXPORT TRADE

Stabilized Methods Suggested for League of Nations Customs Conference

It is being proposed that for the purposes of world trade the term "Market Value" shall be accepted in all countries as the value of the goods at works. This proposal, made by the Tariff Committee of Birmingham Chamber of Commerce, is being sent to the Customs Conference of the League of Nations. This definition will save much trouble. It was suggested as an alternative to a proposal that where customs are levied on an ad valorem basis, steps might be taken to form a valuation tariff for each country's imports in order to ensure the equitable assessment of the customs duties as between one importer and another. Another export trade proposal is that the conference should complete a classified list of all commodities of commerce for use by all countries in the framing of their custom's tariff. Another proposal is to have countries allow a rebate on goods sold and delivered in a foreign country where delivery is refused by the national and re-export is necessary.

Nine grain exchanges have been designated by the United States Department of Agriculture for future grain trading. These are located at Los Angeles, San Francisco, Milwaukee, Minneapolis, Kansas City, Duluth, St. Louis and Chicago, with two in the last named city.

What the A.B.C. Does for the Advertiser

III

In our previous discussions we showed that presenting your sales message to a buyer through a business paper of high standing was equivalent to employing a salesman of strong personality, character and influence.

There still remains an important point for the advertiser, that is that he be able to satisfy himself that the paper he uses is one to which the above term can be correctly applied. How can he do this? How is he to know whether his prospective client has a high opinion of the paper, or whether he neglects even to look at it?

He can tell in this way: If the subscriber is willing to pay and pay in advance for his paper, it is a sure sign that it is a paper he values.

But, it may be asked, how is the advertiser to know whether the subscribers do value the paper sufficiently to pay in advance for it, or whether they get it free? This is where the Audit Bureau of Circulations comes in. The A.B.C. is an Association which insists that all its members submit their books and accounts to a full and open audit by the officials of the Bureau. They will only allow to be included in their certified circulation figures those subscribers who actually pay for the paper. They even disqualify for inclusion those subscribers who are a few months in arrears with their subscriptions. Nor will they recognize as genuine subscribers those who have been induced to subscribe by the offer of premiums, or by any like means. They have many similar stringent regulations of this kind, to all of which members of the Bureau have to conform. And it is only after a rigid examination of the books and accounts that a certificate is granted to any paper which is a member.

An A.B.C. certificate is thus a guarantee that every man who is included in their figures actually buys the paper because he needs it and because he appreciates it.

This is what the A.B.C. can do for the advertiser:

It can save him money by preventing him wasting it in endeavoring to reach buyers through ineffective channels.

It can guarantee him that the paper on which it sets its hall-mark of approval is the paper which will most effectually aid him in developing and increasing his business.

And it can enable him to rest satisfied that the paper will actually reach, under the most favorable conditions, those men whose attention he is most anxious to secure.

The MacLean Publishing Co.

143-153 University Avenue, Toronto

Publishers of:

The Financial Post
Canadian Grocer
Hardware and Metal
Dry Goods Review
Men's Wear Review
Bookseller and Stationer
Canadian Machinery
Canadian Foundryman
Druggists' Weekly
Power House
Canadian Shipping
Printer and Publisher
Sanitary Engineer
Canadian Automotive Trade

EUROPE LEARNS COST OF PUBLIC OWNERSHIP IDEA

Radical Schemes to Control Business Prove Costly

A PERSISTENT FALLACY

Nothing to be Gained by Having Governments Undertake Industrial Enterprises, Thereby Eliminating Private Profits

NEW YORK.—The idea that there is something to be gained by having governments undertake various industrial services, thereby eliminating private profits, is one of the most persistent fallacies, says the National City Bank of New York. It is a theoretical conception, based upon the assumption that government officials can and will manage industry as carefully and efficiently as private owners. The instances in which such results are obtained are rare, for even where the management is personally capable, the conditions attaching to public operations usually are such as to make efficient management impossible.

Of course, the outstanding illustration of the incompetency of government management of industry just now is afforded by Russia, but in all the European countries which have been experimenting with government operations the results are very much alike. In Germany, where all the public services are overloaded with employees, there has been a great revulsion of sentiment. Even in the case of municipal undertakings, the trend of public opinion is pronounced. The following paragraph is from a recent issue of the Chief Socialist organ, the Berlin Vorwarts:

> In all German towns opinion is slowly going over to the surrender by the towns of the actual running of the undertakings to companies. The object in view is the greatest p sible debureaucratizing of the undertakings. Business men will be put in control. Such a change, which existing economic circumstances make absolutely necessary, signifies for the public, of course, the tendency towards the greatest possible cheapness and the fullest use of economic possibilities.

Socialists Are Learning

The city council of Berlin recently has passed by a large majority a bill for the transference of the canal docks and warehouses to a company. In the Berliner Tageblatt, Dr. Michaels, spokesman of the Democratic members of the council, comments upon this act in the following language:

> One can say at once that such an act by a corporation in which the Socialists, though not predominant, from an almost decisive minority would not long since have been considered impossible and even unthinkable. And no attempts to reconcile the changed attitude of the Socialists with the fundamental principles of municipalization and nationalization can alter the fact that in the sphere of municipal activity a momentous reversal has been completed.

In Italy, the government headed by Mussolini, himself the editor of a Socialist paper before the war, has transferred the public telephone system to a private company for operation, on the ground that the management will be more economical and efficient in private hands.

Mussolini's Views

Premier Mussolini summed up his conclusions upon this subject in an address made at the opening of the recent meeting of the International Chamber of Commerce at Rome. He said, in part:

> It is my conviction that a Government which wants clearly to uplift its own people from the after-war crisis must give free play to private enterprise, and forego any measure of State control or State paternalism, which may perhaps satisfy the demagogy of the Left, but, as shown by experience, will, in the long run, turn out to be absolutely fatal both to the interest and the economic development of the country. The time has come when we must take off of the nations the last remainders of the shoulders of the producing forces what was called "war harness" and examine the various economic problems with feelings undisturbed by those passions with which it was necessary to consider them during the war. I do not believe that that complex of forces which in industry, agriculture, commerce, banking and transport, may be called by the glorious name of "capitalism," is about to end, as for a length of time it was thought it would by several thinkers of the social extremism. One of the greatest historical experiences which has unfolded itself under our own eyes has clearly demonstrated that all systems of associated economy which avoid free initiative and individual impulse fail more or less piteously in a short lapse of time.

It is reported that plans are being matured for placing the government-owned railroads of Italy under private management, to save the treasury from the heavy deficit which seems to be unavoidable under government operation.

In Rumania, owing to complaints about the high cost of food, a government edict was issued last February prohibiting the export of cattle, but it has been recently modified to an export tax of 10,000 leu (about $55) per head. Upon this subject, and the experience of that country in price-fixing, M. Garafild, a former minister of agriculture of that country, has been quoted as saying:

> Export prohibition and the fixing of prices below real values brought about a decided falling off in production, especially in wheat and fats, with the inevitable consequences, enforced by the law of supply and demand, of an exorbitant rise in prices. Another cause of the high cost of living in the depreciation of the value of the leu abroad. At present the gold value of the leu is 2½ Swiss centimes. It is easily understood that when we have to pay gold values for agricultural implements and machinery ordered from abroad, producers naturally endeavor to raise their prices to the world parity, and this tendency cannot be counteracted either by price-fixing or usury laws.

GOOD TIMES AHEAD SAYS HENRY FORD

Maker of Flivvers Making All Preparations for a Big Year in 1924.

MARION.— Henry Ford, sitting on the back veranda of Marion's most beautiful home, overlooking a private lake, with Secretary of State Hughes, Thomas A. Edison, Harvey Firestone and Bishop Anderson of Cincinnati, departed from the atmosphere of mourning long enough to express to The Wall Street Journal his decided optimism over business prospects, not only for fall and winter but for next spring and summer as well. He declared:

"Not a cloud is in sight. Don't worry about foreign competition. Europe is too lazy. You can't do anything for nations which will not help themselves.

"If you think the Ford Company has any doubt about the demand for motor cars next year you should see the extensive preparations we are making to maintain capacity operations throughout the winter. New machinery is constantly pouring in and we are expanding wherever necessary. That is the best proof we expect to sell full quota of cars next spring.

"In other lines of trade the outlook is equally good. Aside from the steel industry there has been no excessive output. Steel manufacturers habitually overproduce and then they have to start a war to create consumption. What the steel business needs 's reduced quantity and increased quality. If only producers would curtail output of ordinary steel and turn out alloy steel to build lighter locomotives, freight and passenger cars the problem would be solved. This is what the country needs instead of more skyscrapers to house lawyers, stockbrokers and similar parasites."

IT IS A WHEAT POOL SEASON IN ALBERTA

Sapiro Replaces H. W. Wood as the Favorite Prophet of the U.F.A.

From Our Own Correspondent

CALGARY.—Sapiro is the new prophet of the Alberta farmers. So popular has the wheat pool idea become that H. W. Wood may now be said to be "without honor" in his own country. The chief of the U. F. A. is no longer the power in the land that he has been. The new trend of public opinion is indicated by the following editorial from The Bassano Mail:

> The reign of Henry Wise Wood over the farmers of Alberta is on the wane.
>
> The delay of the president of the United Farmers of Alberta in forming a wheat pool and the whirlwind advent of Aaron Sapiro with a policy of swift action, has damaged the prestige of Mr. Wood beyond repair, unless, perchance the proposed pool is a failure.
>
> But yesterday he could have stood against the world; but now his power is on the wane and hundreds of farmers who cheered loud and lustily for him a year ago, are ready to jeer him.
>
> Not that the fault lies altogether with H. W. Wood. The task of forming a wheat board was a tremendous one and he did not have the experience, prestige or dynamic power of a Sapiro.
>
> Sapiro arrived on the scene when the stage was set to the best advantage. It was like the entrance of the United States armies in the great war.
>
> The farmers of Alberta were restless and irritated at the thought of low prices for their wheat and delay on the part of their leaders.

Repayment of Tax Under New British Act

The new British Finance Act contains a section of interest to certain residents abroad, viz.: public servants. In such cases it is now provided that, when liability as a resident arises, emoluments, pensions and annuities payable in Great Britain or Northern Ireland shall be chargeable to tax which will be deducted by the paying authority.

So far as repayment of tax is concerned, it is now possible to claim for three years ended April 5, 1923, and it is apparent that many persons have yet to discover that they are entitled to claim under one or more of the following classes of relief:

(1) Exemption in respect of dividends on certain British Government securities where the beneficial owner is ordinarily resident abroad.

(2) Exemption in respect of interest on dividends on foreign or colonial securities, stocks, etc., owned by a person not resident in the United Kingdom.

(3) Reduction or exemption from tax on income from sources within the United Kingdom, in the case of a British subject, crown servant, ex-crown servant, widow of crown servant, servant of British protectorate, employee of missionary society, resident in the Isle of Man or Channel Isles, or resident abroad for sake of own health or health of member of the family.

(4) Reduction of tax where income tax has also been paid on the same income in another part of the Empire.

PROPOSAL TO REDUCE CITY TAX EXEMPTIONS

Toronto's Finance Commissioner Favors Taxing Churches, Hydro and Transportation Commissioner's Property

A proposal will be made by Geo. H. Ross, Finance Commissioner of Toronto, to tax all church, Hydro-Electric and Transportation Commission property in the city. It is stated that he will place the proposal before the Board of Control shortly. It will then be considered by the City Council, and if approved must receive the sanction of the Provincial Legislature.

The Finance Commissioner contends that his proposals are fundamentally sound and economically just. As a starter he would tax the land belonging to the churches, and subsequently go a step further. He has pointed out that the churches receive fire and police protection and other privileges, and he does not see why they should not make some contribution to the civil exchequer.

So far as the Transportation Commission is concerned, taxes are now paid on land used for car barns and other purposes, but the buildings and rolling stock are exempt.

There should, he maintains, be some consideration in return for the use of the streets, and it is only by extra taxation on the lines he has indicated that this can be forthcoming.

The assessed value of the Toronto Hydro property now exempt from taxation is $4,524,011; that of the Provincial Hydro is $1,369,700, while that of churches is $15,951,376, $6,733,-679, the latter being on land and $9,217,697 on buildings, the total being made up as follows:

Anglican, $3,783,095; Methodist, $3,359,666; Presbyterian, $2,567,663; Roman Catholic, $2,796,998; Missions, $612,539; Baptist, $969,238; Salvation Army, $569,520; synagogues, $443,-053; Congregational, $152,215; miscellaneous, $697,389.

At 30 mills on the dollar the total taxes derived from church properties would be $478,541; from the local Hydro, $135,720; from the Provincial Hydro, $41,091, and from the T. T. C. $48,911, making a grand total of $744,263, or slightly more than the equivalent of one mill on the present total assessment of the city.

The proposal to tax churches, cemeteries and private schools is not a new one, as the city has attempted to do it on numerous occasions, but the legislature has always refused its sanction.

The plan to tax the Hydro and transportation systems is largely a matter of accounting, as these are owned by the city. Some civic officials have been in favor of reducing the exemptions, as they believe it will enable them to present a more correct outline of the city's finances.

OGILVIE BUYS A SMALL MILLING FIRM

From Our Own Correspondent

MONTREAL.—The purchase by Ogilvie Milling Company of the Alberta Milling Company of Edmonton, indicates the tendency to the absorption by the larger companies of the smaller flour mills through Canada. One advantage of the movement is that it makes it possible for the export trade in flour to be more aggressively developed. The export trade has been greatly increased during the past few years.

Before the war the United States exported two and three-quarter times as much flour as Canada. During the war United States incerased her trade to 16,381,000 barrels, while Canada by great effort pushed her total to 7,177,000 barrels.

During the three years ending March 31 last, Canada has averaged 7,885,000 barrels annually, and the United States 15,707,000 barrels, making an increase of 107 per cent., for Canada over pre-war average, and 47 per cent. for the United States. For those same three years Canada exported 4,068,000 barrels of flour to the United Kingdom, while the United States supplied 2,765,000 barrels. This record gives Canada a 72 per cent. increase in flour supplied Great Britain over the pre-war period, and the United States a 2 per cent. increase for the same period.

"Whispers of Death" Also Being Heard in the United States

The fateful "Whisper of Death" which has been started by The Montreal Star is evidently intended to create the impression that while the situation is so dark here there is great prosperity in the United States and this somehow at the expense of Canada. Perhaps conditions are good in the United States — perhaps too they are not so bad in Canada as they are painted by The Montreal Star—but there are those also who see financial and industrial rocks ahead for our neighbor. Without attaining to the tragic heights for which the Montreal "whisperer" is straining, the New York Journal of Commerce seriously discusses the danger of an economic collapse.

> There is a real farm problem, found in the lack of markets and in the overproduction that has been in process of growth for years past—found also in the national policies which have tended to exaggerate prices for manufactured goods so that the farmer's cost is too far advanced as compared with his income. There is also a real financial and banking problem, one that cannot be ignored, and due to the effort to link up our banking institutions with agriculture. The present indifference of the general business community is astonishing. Whether due to persistent unwillingness to understand the problem, or to belief that politicians do understand it and will safeguard the nation as a whole well enough, or to the thought that the banks are sufficiently able to care for themselves, the business man is suffering the nation to run into a danger similar to that which existed in the years after 1890, when our financial system was brought near to disaster. What can be done to prevent the debacle which is now threatened?

The post-war adjustment has particularly affected those countries which are exporters of food stuffs. Production increased as the result of war needs. Now the importing countries lack buying power. Canada is affected by this condition of affairs more than the United States, but that country too has its problems.

The aftermath of the war has brought its big questions. But there is nothing to be gained by becoming hysterical. The Montreal Star does not help things by expressing generally understood facts in the breath of tragedy. What is needed now as never before its mean of judgment, capacity and courage to handle our public affairs; men who will encourage confidence and initiative and will have the strength to close their ears to class agitations.

St. Thomas Railway Has Small Deficit for July

The municipal street railway of St. Thomas had an operating deficit of $597.11 during the month of July, according to the monthly financial statement. It is stated that this loss was not considered high in view of the fact that it included considerable expenditure in overhauling and repairing the rolling stock of the road and also heavy work on the trackage in different parts of the city.

Excise Stamps Will Be Sold By the Banks

After October 1 postage stamps will not be acceptable for cheque, receipt and other stamp taxes. The requisite excise stamps can only be obtained at banks and such places as may be designated by the Department of Customs and Excise. They are not to be sold at postoffices, in order that the distinction between excise and postage stamps may be kept constantly before the public, who otherwise might become confused and begin to use both varieties indiscriminately.

BRITAIN BUYS LITTLE CANADIAN PAPER

Canada Ships a Fair Amount of Groundwood Pulp To Old Country

From Our Own Correspondent

MONTREAL.—Canada has scarcely made a dent in the British market for paper and only a fair amount of progress has been made in working up the British demand for our pulps.

During the first six months of the present year the only important quantities of Canadian paper imported by England were in wrapping and packing paper. A total of 52,-130 hundred weights, of a value of £67,578, of this commodity were imported. This was an increase over the total for the first six months of 1922, but the amount cuts but a small figure compared with Britain's total imports of this commodity. Sweden, Norway and Germany have command of the British market, as the following figures comparing the first six months of 1922 with the first six months of 1923 indicate:

Paper, Packing and Wrapping, Including Tissue Paper

	1922	1923
Total imports . .	£1,829,250	£2,308,031
Sweden..	593,328	751,228
Norway	390,451	431,263
Germany	263,129	550,064
Canada	54,660	67,578

In mechanical pulp Canada has developed a better trade and in the six months Britain imported 31,264 tons valued at £176,312, a fair percentage of the total imports. Comparative figures follow:

Wood Pulp, Mechanical, Wet

	1922	1923
Total imports . .	£1,031,342	£1,365,074
Norway	719,912	948,461
Sweden	188,818	223,966
Canada	111,527	176,312

Some Danger Signals for The Man Who Neglects Health

WALTER CAMP, in "The Guaranty News."

Stamina, not wishing, wins success. The will to victory alone is not enough. In the battle of life, as we live it to-day, the men who have the physical fortitude to pull up their belts another notch and go out in gruelling competition to get what they want are the men who get it.

This is not an invariable rule. There are men who succeed in spite of neglecting the proper healthful precautions. On rare occasions such an exception may be discovered. But the chances are more than a million to one that you are not that exception.

State of Health Affects Judgment

Unless you are certain that you are exempt from the operation of proved physical, social and business laws, it is an obligation to yourself, your business and your home to give thought to your bodily soundness.

You would not think of making a deal with a man you knew to be mentally unsound. You may find some day that it is not judicious to make a deal with a man whose bodily sanity is too far below par. Others may possibly come to that conclusion, if you don't watch your step, about you. The state of the body affects a man's mental condition and his judgment.

That is not an extreme statement, even though it may sound so to you. How necessary, then, in your own case, to take heed of the facts! It is true that you may not add a cubit to your stature by taking thought; but certainly you can immensely improve your chances in life—unless you are now in tiptop form—by taking thought of your physical condition.

Football and crew men go into training for their contests; business and professional men require just as much training, but of a different sort, for the struggle they undergo. Both the college athlete and the man in modern life must have vigor, but they arrive at it by divergent paths. You cannot scrimmage in a football game until you have by a rigorous process hardened your body; nor can you do the exacting work demanded of you in your chosen line, whatever it may be, without achieving and maintaining a certain condition adapted to that purpose.

Touchdowns in Business

The successful man is the man who takes pains to see that there is no weak link in his chain—that no department or subordinate fails him when a crisis comes. In the same way must this man regard his own possibilities and limitations. Like the captain of a football team, he must not only see to it that his men are fit—he must himself be fit, when the day of his great effort comes.

The failure to comprehend this has found many a man in business, at the time when the touchdown of success was in sight, unable to summon the strength and stamina necessary to carry the ball over.

Touchdowns in business, then, require physical fitness as on the gridiron.

A few of our ablest and most successful men have their own personal physicians and personal trainers. This is because they realize what a tremendous asset this kind of training gives them, and yet do not feel competent to oversee and carry out a program for their health.

The Safety Point

But where there are a few men who can afford these luxuries of expert advice and direction, there are thousands of eminently successful men who would scorn such measures, deeming them unwarranted extravagance in money and time. It is in order to give these men an equal opportunity in driving their engines to the full limit of safety and efficiency that these articles are being written. Most men do one of two things: Either they go far beyond the safety point through ignorance or carelessness or pre-occupation with business affairs; or, suddenly alarmed, they slow down and never afterward can get up speed. But a little judicious consideration would have enabled all of them to avoid either extreme.

I shall set down in these articles not only the general principles to be followed in achieving and maintaining physical fitness, but also rules for meeting certain particular emergencies, of which use can be made when occasion arises.

Let us consider first the topic of work and rest. There is a Biblical injunction concerning rest, and a small minority of our population seems to think it was meant to apply the year 'round. These articles are addressed to the normal majority who work and like to work.

Work does not kill nor injure; worry does.

Labor is natural to the human machine—either mental or manual labor. But, whether the work be with the brain or the hands, worry can ruin all the processes of that machine.

Danger Signals

Rest is vital to repair the human machine. Unless it is taken regularly the engine begins to deteriorate, and then work becomes not only ineffective, but injurious. The average man soon learns, if he be reasonably observant, that when he has overworked without his proper periods of rest, the process is marked by decreased efficiency, a greater irritability and then an increase of worry.

Irritability is a danger signal. As it increases it has the double effect of spoiling the man's own efforts and of upsetting and making less efficient all those with whom he comes in contact; first his own assistants and other subordinates, then those outside his organization with whom he transacts business.

The Cost of Getting Mad

Sometimes it costs a lot to get mad. Many a deal which promised profit and prestige has been spoiled by a fit of temper. That is a sacrifice every man would rather avoid if he could—and he can. But he should remember in addition that anger has a distinctly injurious physiological effect upon himself. Repeated fits of it are ruinous to health. There are two cures for it, one temporary and one permanent.

The first cure should be applied immediately. It is just to hold your tongue and breathe steadily and deeply ten times. (I have known the most hot-tempered men to learn to do this without fail). Then say aloud: "What difference will this make a hundred years from now?"

The deep breathing is not intended merely to gain time. It takes the blood into your lungs and out of your head, for it has rushed to your head when you got mad. And so you will find that your anger has subsided, and that you are fairly normal. If you really wish to fight you will then be a far deadlier antagonist for your opponent. Sometimes your opponent may goad you to wrath just to get the better of you. Don't let him do it.

Searching Out Errors in Living

The permanent cure involves an audit of your conduct of life. Go at it like an expert accountant, and search out the error which is responsible for this thing. Wherein have you transgressed against health? It may be that you have overworked without the proper safeguard. It may be indiscretions in diet. It may be sleeplessness. It may be too much smoking. It may be any one of a dozen other things. You will know it when you find it, although you may not want to admit it. You must face it, and you must audit it in red ink.

Let us say it is too much smoking. You have got into the habit, says, of lighting one cigar from another, and you are hardly conscious of doing it. The thing has become automatic. But you have a notion that smoking helps you concentrate on your problems—and so it may, in moderation. In excess it dissipates your power of concentration. Treat it as a business matter.

Facing the Facts

If you had a neglectful, disloyal or dishonest employee, you would fire him, wouldn't you?—even though you had a strong personal liking for him. You would fire him as a matter of business. You wouldn't let your personal preference stand in the way. Are you going to be soft with yourself when you wouldn't be soft with another man? Face the facts.

Whatever the nature of the error your audit turns up, one of the first steps toward getting back to normal is moderate exercise and fresh air. I don't mean an orgy of sweating handball or tennis or dumb bell heaving. What you need is a modest, sensible amount of physical activity each day.

Bad temper, worry, breakdowns, are unnatural; they can be averted. They are readily curable by physical and mental processes.

Mexico Tramways Company

GENERAL CONSOLIDATED FIRST MORTGAGE 50-YEAR 5% GOLD BONDS

NOTICE IS HEREBY GIVEN that on and after 1st September, 1923, Coupon No. 21, dated 1st March, 1917, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the agency of the Bank of Montreal, New York, N.Y., at the Holder's option.

Dated at Toronto this 17th day of August, 1923.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

The Bank of Toronto

Dividend No. 168

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. for the current quarter being at the rate of TWELVE PER CENT. PER ANNUM upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST DAY OF SEPTEMBER next to Shareholders of record at the close of business on the 10th day of August, 1923.

By order of the Board.
JOHN R. LAMB,
General Manager.

The Bank of Toronto,
Toronto, July 18th, 1923.

The Royal Bank of Canada

DIVIDEND No. 144

NOTICE is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Saturday, the first day of September next, to shareholders of record at the close of business on the 15th day of August.

By order of the Board.
C. E. NEILL,
General Manager.

Montreal, Que., July 17, 1923.

The Canadian Bank of Commerce

DIVIDEND No. 146

NOTICE IS HEREBY GIVEN that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1923, payable at the Bank and its Branches, on and after Saturday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1923.

By Order of the Board.
JOHN AIRD,
General Manager.

Toronto, 20th July, 1923.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Saturday, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1923.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 20th July, 1923.

Canadian Pacific Railway Company

DIVIDEND NOTICE

AT a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 30th June last;

On the Common Stock, two and one-half per cent. for the quarter ended 30th June last, from railway revenues and Special Income;

Both dividends are payable 1st October next to Stockholders of record at three p.m. on 31st August next.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 13th August, 1923.